

BOVARD: OBAMA'S WAR ON PRIVACY ■ WOODS: THE FED'S MELTDOWN

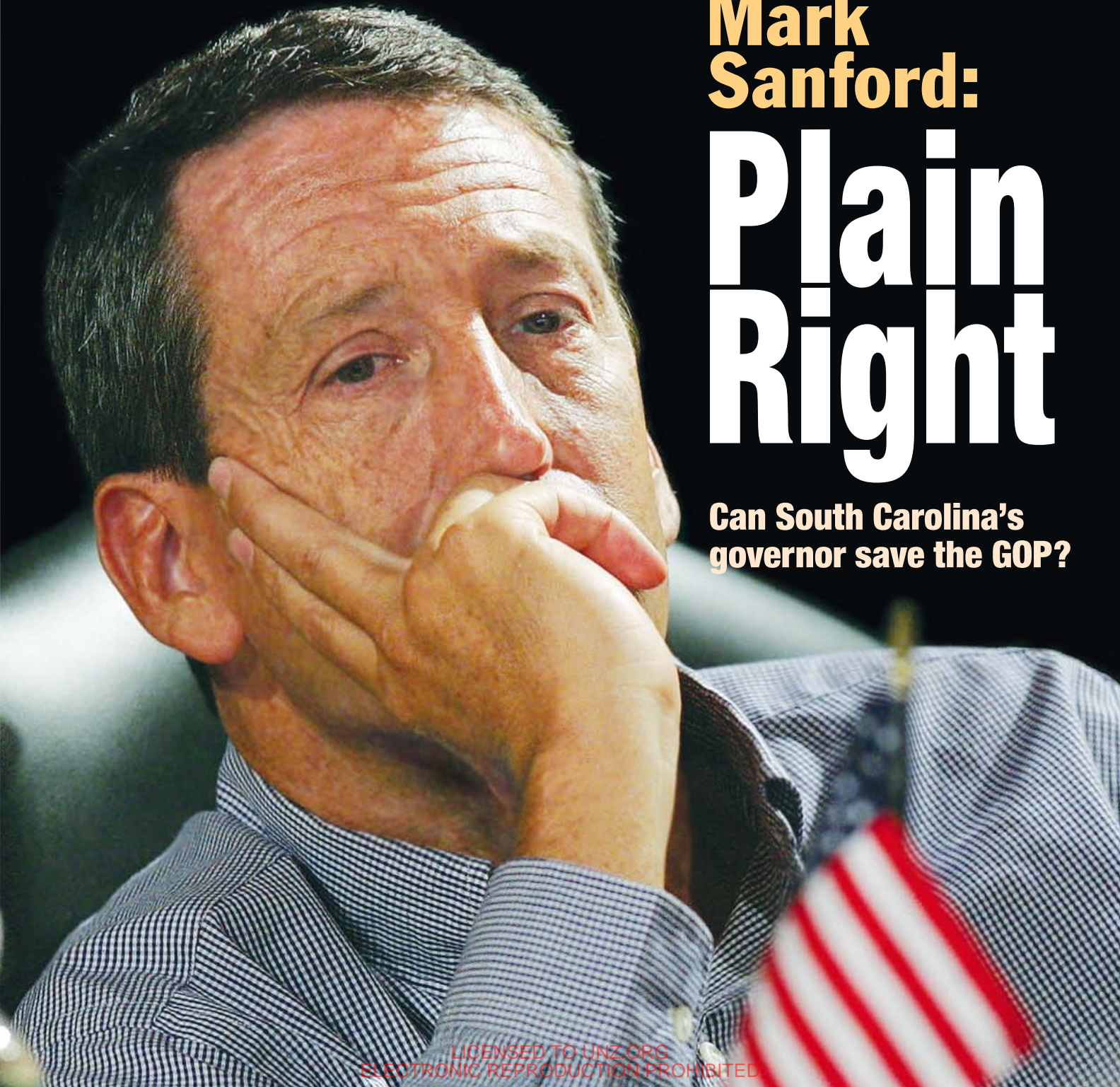
MARCH 9, 2009

The American Conservative

**Mark
Sanford:**

Plain Right

**Can South Carolina's
governor save the GOP?**



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

INTELLECTUAL OASIS

I want to thank you for your position in the conservative world, a seemingly true conservative publication reminiscent of William F. Buckley Jr. My degree is in political science, but since I have been in medical school here in D.C. at the George Washington University, my political self has been on hold. As my medical-school career comes to a close this semester, I have had more time to think.

It was today, when sufficiently frustrated with the current conservative position in Washington, that I found your magazine on Google when I searched for "conservative intellectualism." It is a refreshing publication to which I shall immediately subscribe.

As a young conservative who has worked for both the House and Senate, I not only found it hard on the hill, but continue to find it difficult to recognize traditional conservative values in any of my peers. They are all products of the 1980s neocon revolution.

Thank you for allowing me a publication with which I can sympathize, even in the absence of likeminded peers, and thanks again for your commitment to true conservatism.

JASON D. STACY
Washington, D.C.

RUSH TO JUDGMENT

John Derbyshire is my new hero ("How Radio Wrecks the Right," Feb. 23). In the early '90s, when I was a Navy veteran and blue-collar laborer in my mid-20s, just taking an interest in conservative and libertarian politics, I was a huge fan of Rush Limbaugh. However, as my education level rose—I'm now six months away from earning an MBA—my interest in Limbaugh diminished. Today I am genuinely embarrassed to be associated with screeching, obnoxious imbeciles like Ann Coulter, Michael Savage, Glenn Beck, and Sean Hannity. I agree with Derbyshire: the Right desperately needs

quality programming on the level of NPR, which is—politics aside—consistently excellent.

JIM KELLER
West Reading, Pa.

MEGADITTOS

You said, "Talkers like Rush Limbaugh and Sean Hannity have their place, but it shouldn't be at conservatism's head table." Wait a minute. Isn't Rush an American citizen? What other credential does Rush need besides a following of believers who are willing to support him? How many politicians consistently get over 20 million votes? Get real, man! We all know that the supposed leadership of the GOP is currently missing in action.

You also said, "Limbaugh and company certainly entertain. But a steady diet of ideological comfort food is no substitute for hearty intellectual fare." Rush consistently demonstrates a much deeper understanding of politics, economics, sociology, history, management—the whole list would be longer than this e-mail could hold—than anyone I've found among our elected and self-appointed pundit leadership, including you! That he also entertains as he shares this knowledge and wisdom is icing on the cake.

Your problem: Political Correctness Syndrome.

JAMES SMITH
Clarksburg, W.Va.

INFORMED DISSENT

Thank you for an objective and mostly correct piece ("Mormons at the Door," Feb. 23) on the efforts of the LDS church regarding Prop 8 and how that has helped to reduce the barriers to fellowship and cooperation with those of other faiths.

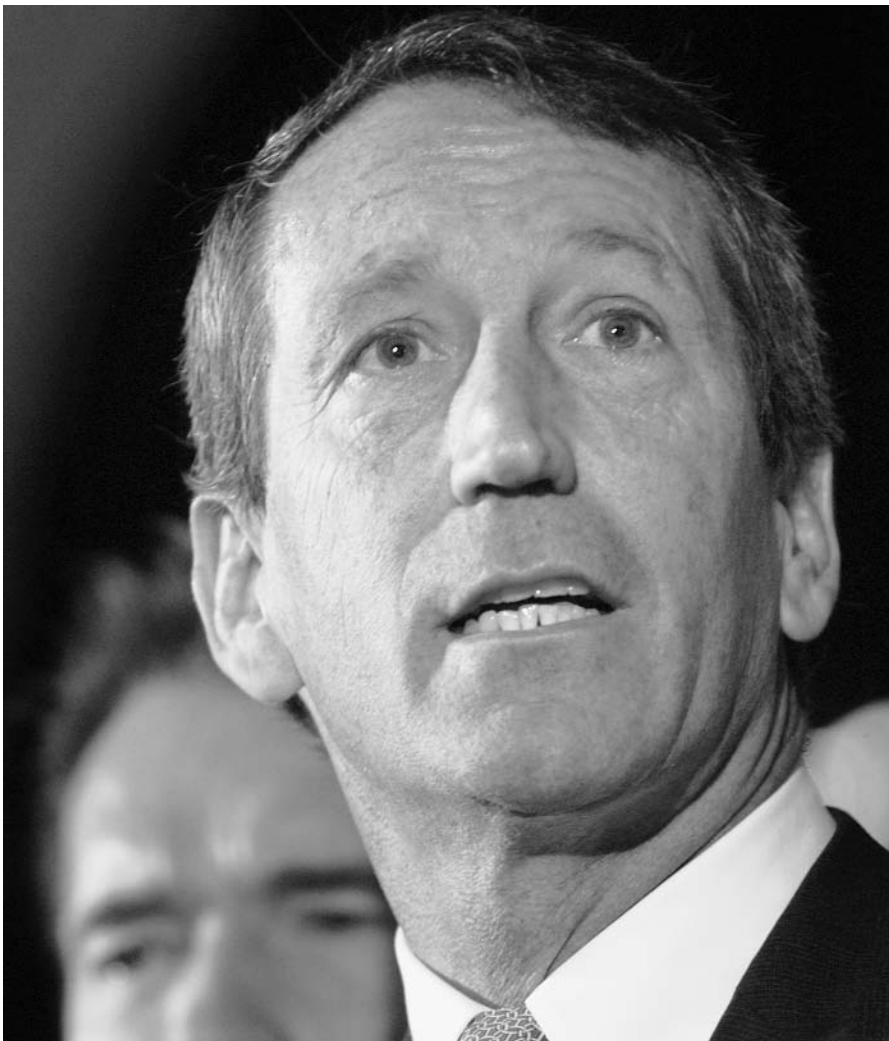
I wish to correct a couple of statements. Paragraph 9 states, "The LDS church rarely involves itself directly in politics, and its efforts in California's

'Protect Marriage Coalition' represented a shift in church policy." This is inaccurate as there has been no shift in church policy. The church has always and will always become involved in issues that are viewed as an attack upon moral standards or gospel principles. Contrary to popular opinion, the LDS church is most definitely not anti-gay. We are, however, very anti-dilution of marriage. It was this concern that led the LDS church to act in regard to Prop 8—concern over the impact upon the traditional concept of marriage being the foundation of the family and requirements for religious leaders to perform marriages for all people under the statutes. We can accept that someone chooses a particular path in life, but we cannot condone it.

Paragraph 12 states, "...blacks were allowed to enter the Mormon priesthood not long after protests made Mormon beliefs in the origin of racial differences a national embarrassment." Forces of the times certainly were a major factor that led then President Spencer W. Kimball to consider the eligibility of blacks for the priesthood. But the same doctrine that stated blacks were ineligible—due to their heritage, not their skin color—also stated that there would come a time when they would be eligible to receive all the blessings of the priesthood. Much prayer and discussion with the Lord led him and the other apostles to conclude that now was indeed that time. This may seem a fine distinction to one who is not a member of the LDS church, but it is a significant factor.

ROD BARNES
Via e-mail

The American Conservative welcomes letters to the editor. Submit by e-mail to letters@amconmag.com, by fax to 703-875-3350, or by mail to 1300 Wilson Blvd., Suite 120, Arlington, VA 22209. Please include your name, address, and phone number. We reserve the right to edit all correspondence for space and clarity.



KRT PHOTOS

[COVER]

Plain Right

BY MICHAEL BRENDAN DOUGHERTY South Carolina governor Mark Sanford's sober conservatism Page 6

[LIBERTIES]

Health of the State

BY JAMES BOVARD The president's plan for your medical records Page 9

[ECONOMY]

Unnatural Disaster

BY THOMAS E. WOODS JR. The Federal Reserve doesn't fix financial instability—it causes it. Page 12

[IMMIGRATION]

Hablas McCarthyism?

BY W. JAMES ANTLE III The Left brands even moderate restrictionists as haters. Page 15

COLUMNS

35 Stuart Reid: How I Learned to Love the Gray Lady

NEWS & VIEWS

4 Fourteen Days: Bankers Won't Say the "N" Word; Richard Perle Does Not Exist; Hillary Bonds With Beijing

11 Deep Background: Boos for Alhurra

ARTICLES

18 Winslow T. Wheeler and Pierre M. Sprey: There's pork at the Pentagon, too.

20 Brendan O'Neill: Is Israel the Enlightenment's Holy Land?

23 Kelley Beaucar Vlahos: For marijuana policy, states' rights is the best medicine.

25 Jeffrey Hart: Like Edmund Burke, Lionel Trilling advocated salutary reform.

ARTS & LETTERS

28 Steve Sailer: Sean Penn in "Milk"

29 David Bromwich: *Freedom's Battle: The Origins of Humanitarian Intervention* by Gary J. Bass

31 Jacob Heilbrunn: *Benjamin Disraeli* by Adam Kirsch

33 Philip Delves Broughton: *Lords of Finance: The Bankers Who Broke the World* by Liaquat Ahamed

[ECONOMY]

BANKS OF AMERICA

Asked about bank nationalization, the panelists on ABC's "This Week" struggled—not with the government takeover but to come up with a nicer word. Intervention is already too far down the tracks to make debate much more than a rhetorical exercise. "We have nationalized 14 banks already this year," Paul Krugman pointed out. "With credit now treated essentially as a public utility, the difference between what we have and what nationalization would be is marginal," George Will conceded. Two days later, the Treasury Department dumped another \$365 million into 23 banks. Call it what you want: private banks are increasingly public property.

On some level, this happened long before our current crisis. No bank is ever really allowed to die. As blogger Steve Waldman points out, "Insolvent banks become wards of the state. They are nationalized. ... Often the operations of the dead bank are quickly merged with a healthy bank so we can pretend we live in a capitalist utopia."

If he didn't assume control of the nation's banking system, President Obama wouldn't be able to enforce his new housing plan, which compels lenders to reward those who borrowed more than they could possibly repay. Tough luck for the suckers still writing monthly checks. Bad banks must be propped up and bad loans perpetuated.

Back at the roundtable, the TV talkers never settled on a workable term to describe this state of affairs. After surveying the wreckage, might we suggest "moral hazard"?

[NEOCONS]

IMPLAUSIBLE DENIABILITY

Call him a chickenhawk if you will—but Richard Perle must have *cojones* of solid brass to think he could get away with his Feb. 19 remarks



at the Nixon Center. "Prince of Darkness Denies Own Existence," ran the headline over Dana Milbank's *Washington Post* article the next day, and that was hardly an exaggeration. Perle, chairman of the Defense Policy Board from 2001 to 2003, denied having any influence on the Iraq War. "Had I been the architect of that war, our policy would have been very different," he assured a skeptical audience.

"The many mistakes in Iraq," he continued, "...had nothing to do with ideology. They did not draw inspiration from or reflect neoconservative ideas, and they were not the product of philosophical or ideological influences outside the government." Bravura stuff—a remarkable impression of a Soviet commissar denying a rift in the Politburo. "There is no such thing as a neoconservative foreign policy," he insisted. Asked about his co-authorship of a 1996 report calling for regime change in Iraq: "I didn't approve it. I didn't read it." And the Bush administration's mania for democratization? Perle praised Douglas Feith and cited "his excellent *War and Decision*" as proof that talk about Iraqi democracy "began in the fall of 2003, six months after the invasion."

Perle's denials veered from the brazen to the hysterical: "We had a publisher who chose that title," he said of *An End to Evil*, the 2003 volume he co-authored with David Frum. "There's hardly an ideology in that book." (Milbank provides an excerpt: "There is no middle way for Americans: It is victory or holocaust. This book is a manual for victory.")

The only thing more remarkable than Perle's misrepresentations were his admissions: "The seminal error was, in my view, the failure to turn Iraq over to the Iraqis immediately after Saddam's regime collapsed." Which Iraqis? Why, Ahmad Chalabi and his Iraqi National Congress, victims, Perle assures, of "a malicious campaign" of defamation conducted by the CIA and State Department. Bush was too weak to assert himself against the diplomatic corps, you see. Perle disclaims responsibility for democratization and nation-building—only to say, "It was clear from the beginning that the problem of Saddam's Iraq was in fact a broader, regional problem: only with well-integrated strategies for Iran and Syria (and beyond) could we hope to deal effectively with post-

Saddam Iraq.” Nation-building is a bad idea—what we really need is *region*-building.

In other words, Perle, who still thinks the Iraq War was a good idea, believes that we should have taken a more aggressive stance—including invasion?—toward three or more other Mideast states as well. And while he says that democratization was not the goal in Iraq, he speaks of “bureaucracies content [with] favored dictatorships” in a manner that suggests he does indeed favor democracy-promotion. And who made democratization an article of faith for Republican presidents? Hint: it wasn’t Mel Bradford.

The Soviet Union may be long gone, but the Big Lie has never gone out of fashion.

[WORLD]

HILLARY GOES TO CHINA

At the end of her first overseas trip as secretary of state, Hillary Clinton took a break from berating China over its human-rights record to beg for money.

The former first lady told officials in Beijing, “by continuing to support American Treasury instruments, the Chinese are recognizing our interconnection. We are truly going to rise or fall together.” Translated into Mandarin, that might have sounded like a threat: keep buying America’s insupportable debt, or we’ll take you down with us.

Mrs. Clinton was not telling the Chinese anything they don’t already know. As America hovers on the edge of economic catastrophe, China is rapidly falling in: the country’s export trade is collapsing, unemployment and civil unrest are rife. The globalist model for Sino-American growth—China saves while the U.S. spends—looks increasingly like a mutual suicide pact.

But the bankers in Beijing, even if they recognize their interest in proping up America, might ask why they

should bother. China reportedly bought \$500 billion in U.S. debt last year, which did not stop either financial system from imploding. There’s an old Chinese proverb: “You can buy a clock, but not time.”

[WAR]

LEFT BEHIND

It’s easy to think of the Iraq War in past tense. The severity of our domestic crisis has turned Americans’ focus inward, and our new president stakes no claim to his predecessor’s folly. In the public mind, we’ve shaken the desert dust from our boots.

But Iraqis don’t have that luxury. The country we broke will be years reassembling itself.

By government estimates, one in six Iraqi women aged 15-49 is widowed—some 740,000 in a society that grows increasingly hostile to single women as radical factions take hold. And given the ongoing violence and massive displacement, officials admit that the number may be higher. The desperate few who manage to navigate the bureaucratic thicket—often trading sex for aid—receive a stipend of \$50 per month, plus \$12 for each child. It doesn’t go far.

“They wait in line outside mosques for free blankets, or sift through mounds of garbage piled along the street,” the *New York Times* reports. “Some live with their children in public parks or inside gas station restrooms.” Shamed by the visibility of the problem, the government has begun to arrest them.

Some turn to prostitution, others to the hopeless security of the insurgency. “The Iraq-Iran war took our fathers, and now the Bush war is taking our husbands and sons,” Baghdad resident Shatha Ahmed told Inter Press Service. Her husband, a doctor, was killed last September. She is struggling to support both her children and his parents. ■

The American Conservative

Publisher

Ron Unz

Editor at Large

Scott McConnell

Executive Editor

Kara Hopkins

Senior Editor

Daniel McCarthy

Associate Editor

Michael Brendan Dougherty

Literary Editor

Freddy Gray

Film Critic

Steve Sailer

Contributing Editors

W. James Antle III, Andrew J. Bacevich, Doug Bandow, Jeremy Beer, James Bovard, Michael Desch, Philip Giraldi, Paul Gottfried, Leon Hadar, Peter Hitchens, Daniel Larison, Christopher Layne, Eric S. Margolis, James P. Pinkerton, Justin Raimondo, Fred Reed, Stuart Reid, R.J. Stove, Kelley B. Vlahos, Thomas E. Woods Jr.

Art Director

Mark Graef

Associate Publisher

Jon Basil Utley

Publishing Consultant

Ronald E. Burr

Office Manager

Fernando Cortes

Founding Editors

Patrick J. Buchanan, Taki Theodoracopulos

The American Conservative, Vol. 8, No. 5, March 9, 2009 (ISSN 1540-966X). Reg. U.S. Pat. & Tm. Off. *TAC* is published 24 times per year, biweekly (except for January and August) for \$49.97 per year by The American Conservative, LLC, 1300 Wilson Blvd., Suite 120, Arlington, VA, 22209. Periodicals postage paid at Arlington, VA, and additional mailing offices. Printed in the United States of America. POSTMASTER: Send address changes to *The American Conservative*, P.O. Box 9030, Maple Shade, NJ 08052-9030.

Subscription rates: \$49.97 per year (24 issues) in the U.S., \$54.97 in Canada (U.S. funds), and \$89.97 other foreign, via airmail. Back issues: \$6.00 (prepaid) per copy in USA, \$7.00 in Canada (U.S. funds).

For subscription orders, payments, and other subscription inquiries—

By phone: **800-579-6148**

(outside the U.S./Canada 856-380-4131)

Via Web: www.amconmag.com

By mail: *The American Conservative*, P.O. Box 9030, Maple Shade, NJ 08052-9030

Please allow 4-6 weeks for delivery of your first issue.

Inquiries and letters to the editor should be sent to letters@amconmag.com. For advertising sales call Ronald Burr at 703-893-3632. For editorial, call 703-875-7600.

This issue went to press on February 26, 2009.

Copyright 2009 *The American Conservative*.

[good governor]

Plain Right

Will Mr. Sanford go to Washington?

By Michael Brendan Dougherty

MARK SANFORD is easy to overlook. If Republicans need a champion in the Obama era, there are more colorful candidates than the South Carolina governor. He doesn't play electric bass, or to the Religious Right, like Mike Huckabee. He has made no attempt to rewrite the GOP's almost forgotten small-government playbook like Minnesota's Tim Pawlenty or Louisiana's Bobby Jindal. Though he is popular, Sanford seems incapable of playing a red-meat populist like Sarah Palin. He looks plain, his philosophy is old, and he has an elegiac demeanor that seems incompatible with electoral politics.

But unlike many other Republican politicians of his stature, Sanford recognizes that there are limits to ambition, that government treasuries are not bottomless, and that no ideology can captain the globe. If the promise of "hope" in the form of bailouts fails to revive the American economy, Mark Sanford will be the GOP's most dangerous man in 2012.

In recent weeks, he has become the unofficial spokesman against Obama's trillion-dollar economic stimulus plan. Other Republican governors like Arnold Schwarzenegger beg for more federal subsidies, but Sanford has threatened to decline large portions of the bailout, preferring not to bridle South Carolinians with the accompanying obligations. While cable's talking heads shout at him,

he somberly quotes Adam Smith and Friedrich Hayek. He worries aloud that the bailouts represent a "crisis of American civilization."

But Sanford's stringent free-market philosophy was born in experience before it was matured by theory. His father Marshall was a successful heart surgeon in southwest Florida, but strained to teach his sons thrift and hard work. That meant laboring on the family's summer property, a farm in Beaufort, South Carolina. "His big intent with the farm was teaching us how to work. We thought as we were bailing hay in August that our next meal depended on us getting that hay in. It did not. But we didn't know any better as kids," Sanford says.

This education didn't end with summer. When the family returned to Florida's scorching Septembers, Sanford recalls, "Everybody slept in Mom and Dad's room so we'd only run one air-conditioning unit. My brothers on the floor, my sister on the window seat. In retrospect, how totally weird. The guy's a heart surgeon. He could certainly afford to spring for another air-conditioning unit." But the lesson took. As governor, Sanford has refused to use the air conditioning in the governor's mansion in Columbia.

Though he describes his childhood as happy, Sanford's adolescence was touched by tragedy. When he was a junior

in high school, his father was diagnosed with Lou Gehrig's disease. When he died five years later, the Sanford family buried him under a pair of oak trees overlooking a river, according to his wishes. Mark built the casket. He says,

You hammer the nails closed, you carry it out there in the back of the pickup to a certain part of the farm. You lower the thing down there. You and your brothers do it on your own, and then grab shovels. We say a little prayer, fill the grave, walk back up to the house. It was an intensely personal experience that really hit home for me: you ain't taking any of this stuff with you.

Those oak trees have cast a long shadow over Sanford. When he's asked about his ambitions, he refers to this time of his life, as if the driving force in his career is an awareness of his own mortality.

After graduating from Furman University with a BA in business, Sanford got his MBA from the University of Virginia. He worked at Goldman Sachs briefly and met his wife Jenny Sullivan in 1989 in the Hamptons. She is the granddaughter of Bolton Sullivan, the founder of the Skil Corporation, a successful toolmaker. The couple returned to South Carolina, and Mark established himself in real estate, making millions and traveling around the state.

While the Sanfords' personal wealth doesn't equal that of the Romneys or Kerrys, their financial security plays a role in Sanford's approach to politics. "My kids' next meal isn't dependent on whether I stay in politics," he says. "The rarest of all commodities in the world of politics is independence. Yet what is desperately needed in politics is more independence."

Sanford made the unusual decision to have his wife run his first congressional campaign. He jokes that "the price was right," but adds that he was looking long term: "We were going to live in South Carolina the rest of our lives. In the heat of a campaign I didn't want some political guy saying, 'Do this,' when it was really contrary to things I believed and thought. She knew what I believed, so it seemed like a no-brainer for me." Jenny has managed his campaigns ever since. Will Folks, Sanford's former spokesman and now gadfly editor of *Fitsnews.com*, says, "The legend is true. It really was Jenny and a bunch of kids working in his basement. She is driven, maybe even more than he is."

As part of the Gingrich Revolution in 1994, Sanford pledged to serve just three terms. His explanation for the self-imposed limit reveals the two sides of his personality, the brainiac and the bumpkin. He says, "The 'beta' is the correlation between an individual stock and the market as a whole. Term limits change the beta of a political decision. Some politicians look at a single political decision and say, 'Man, this could affect my career for the rest of my life.' But with term limits, if it only affects you for the next two years, it's not a life-changing event."

Naturally, Sanford compiled a strikingly different record from many of his fellow revolutionaries. He regularly found himself grouped with Ron Paul and a few other staunch conservatives like Steve Largent and Tom Coburn on

the losing end of lopsided votes. "I remember the leadership would come and say, 'This stuff is okay during the campaign, but we have to govern,' and I thought it was govern toward a specific end, not just govern to govern," Sanford recalls.

But principle had its price. He was the lone vote against a bill to halt violence against women, claiming that it was unconstitutional. The first negative ad he faced in South Carolina claimed Sanford was soft on domestic violence.

He was unsurprised by the party's quick betrayal of conservative ideals: "A lot of people walked in not clear about what they were about philosophically. And if you aren't totally clear walking in, you're going to end up very fuzzy in a very short period of time."

Soon after he left Washington, Sanford sought to impose his clarity on Columbia. He faced a crowded Republican gubernatorial primary that included representatives from South Carolina's three largest political families. In a field of pious hucksters, self-styled Reaganite optimists, and other GOP mutants, Sanford stood out for his authenticity. He toned down the brainiac and played up his folksiness. He out-raised his opponents, pulling in over \$100,000 a day at the height of the contest. Sanford bought more television time than his opponents and filled it with scenes of his four sons and pretty wife.

At the same time, he imposed pathologically tight control on the campaign's finances. "He'd pick up change from the street during an event. If he found an index card in the garbage and saw that only one side of it had been used, he would explain to the staffer, 'This is how campaigns are lost,'" Folks says. Employees were sent to return supplies Sanford deemed too expensive or reimburse the campaign for their mistake. Even today, Sanford gets his hair cut at Supercuts—and brings a coupon.

His record as governor is sound by conservative standards, but thin. He proposed a plan to eliminate the state's income tax within 18 years, but abandoned the project when political compromise that involved an expanded property tax transgressed his ideology. "He won't take 10 cents of something he dislikes for a dollar of something he loves," Folks says. But when staffers advised him to tacitly endorse primary challenges against the moderate GOP legislators who stymied his reformist agenda, Sanford played it safe and backed incumbents. There are limits even to his political will.

Sanford's most notable accomplishment as governor may be eliminating an illegal \$155 million budget deficit that was hidden by his predecessor. When trying to find the last \$16 million, legislators suggested that he had done enough. Sanford replied, "I'm sworn to uphold the Constitution. It doesn't say come close and declare victory." He then vetoed 106 pork projects to make up the deficit and was overruled on 105 of them. The next day, he took two piglets and an array of cameramen into the statehouse—his first and probably last attempt at playing rabble rouser. "I don't like using political instruments that blunt," he admits, "but what's not remembered is that it worked."

Though he had endorsed John McCain in 2000, Sanford stayed out of the Republican contest in 2008. Two days before the primary, Sen. Lindsey Graham was dispatched to Sanford's office with a plea and an offer. Graham told Sanford that an endorsement from the popular governor could put McCain over the top in the key primary state. In return, he promised a spot on McCain's veep shortlist. Sanford responded coolly, "I don't need your help getting on the shortlist" and declined.

Once the nomination was settled, Sanford wrote a *Wall Street Journal* op-ed making the case for McCain. But

when he was asked to defend McCain's economic proposals by Wolf Blitzer, his smooth delivery degenerated into a stammering admission that he was stumped. The gaffe was used against him, but the clip is cited by libertarians as a point in Sanford's favor since for them there was no credible defense of McCain's economics.

Sanford's conservative credentials compare favorably to anyone else mentioned as a 2012 presidential contender. He calls the public-education system "a Soviet-style monopoly." He promoted school choice through tax rebates to avoid the appearance of government control. He passed a "Castle doctrine" bill that was supported by the NRA. He favors a law-and-order approach to immigration, but opposed REAL ID on civil liberties grounds. Though he avoids showy displays of piety, he is reliably pro-life.

But the governor edges closer to pure libertarianism at times. He rolls his eyes at the Columbia sheriff's department's zeal in investigating Michael Phelps's recreational pot use. And he criticizes Alan Greenspan's management of the "opaque" Federal Reserve. "If you take human nature out of a Fed, it might work," he explains. "But you can't. You can have these wise men. But who wants to turn off the spigot at a party that's rolling?"

He also deviates from the Republican line on foreign policy. In Congress, he opposed Clinton's intervention in Kosovo. And he was one of only two Republicans to vote against the 1998 resolution to make regime change in Iraq the official policy of the United States. He says that it was a "protest vote" in which he tried to reassert the legislature's war-declaring powers. When asked about the invasion of Iraq, he extends his critique beyond the constitutional niceties. "I don't believe in preemptive war," he says flatly. "For us to hold the moral high ground in the world, our default position must be defensive."

Sanford has occasionally made political decisions that cut against his principles. He appointed Bill Stern, a prominent Republican fundraiser, to the board of South Carolina's Port Authority. But Stern and other Sanford appointees have refused to loosen total state control of the ports, even though most ports in America accept private-public partnerships. During Sanford's term, Charleston has dropped from fourth to seventh in the nation in port rankings and may soon lose its largest account. If Sanford had imposed his free-market philosophy on his appointees, Charleston would not be in danger of losing more jobs and private capital to competitors in Savannah and Norfolk.

And Sanford's penny-pinching, while appealing in an era of excess, occasionally defies all common sense. While he lived in Columbia as governor, the state classified his mansion on Sullivan's Island as a second residence and taxed it at the higher rate of 6 percent as opposed to 4 percent for a primary residence. It was only a difference of \$3,300, but Sanford fought the classification even though he was renting the house out at the time.

Candidates with national ambitions usually make haste to clear up potential scandals in their pasts. Early in George W. Bush's presidential run, his camp released a statement dealing with Mrs. Bush's 1963 car accident in which her boyfriend was killed. But Governor Sanford's team has failed to get ahead of a story that could become tabloid fodder. During Sanford's first gubernatorial campaign in 2002, an 8-year-old African-American girl wandered onto a Sanford family property on Lady's Island and drowned. A source close to the governor said she fell into a "retaining pond." Her family's lawyer, Manning Smith, called it a "pit." Other sources claim that Sanford, who owned a hydraulic excavator at the time, digs holes on his property to unwind. According to a source involved

in the settlement, the governor's insurance company paid the girl's family "around \$300,000." During Sanford's second run, after rumors began to circulate, local newspapers and the AP looked into the incident, but haven't reported it. South Carolina politicians speculate that if Sanford's national profile increases, *The State* will finally run its story. There had been no official comment until Sanford's spokesman, Joel Sawyer, told *TAC*, "This was a tragic accident, and Governor Sanford did everything he could to do right by the family involved." He declined to elaborate.

Beyond his rare lapses in ideological or political judgment, Mark Sanford doesn't seem to have the charisma that conservatives say their message needs. He is awkward in the clubby world of politics. He can regale you with long stories details about a budget skirmish with the legislature, but he has almost nothing to say about USC basketball. He draws lessons from Ayn Rand's work ("She doesn't believe in the social compact really"), but is unfamiliar with basic sports metaphors, claiming, "We got the proposal to the 99-yard line."

Close legislative ally Gary Simrill admits, "He's not the 'morning in America' type." But Sanford's appeal isn't about personality. For him, the imperial executive and the celebrity president are linked: "It got to the point of absurdity with this election. Everybody put a lot of hopes and dreams in Obama. But our nation was founded by the rule of law, not by men." The governing style of movie stars, whether they call their opponents "girly men" or don flight suits for the cameras, led to the present crisis. Official Washington has no memory, demands largesse, and prizes optimism as its cardinal virtue. But Sanford is haunted by the past, tight with a checkbook, and worried about future. If he has any chance, it's because he sounds a lot like the rest of us. ■

Health of the State

The president's plan for your medical records

By James Bovard

THE COMPUTERIZATION of personal healthcare records is one of the showpieces of the new stimulus bill. President Obama promised, "We will make the immediate investments necessary to ensure that within five years all of America's medical records are computerized." Congress ponied up \$19 billion to subsidize the digitization of patient files and creation of electronic healthcare tracking systems. The ultimate goal is "the utilization of a certified electronic health record for each person in the United States by 2014."

Shoved into a 1,400-page bill passed in a panic, the plan went largely undebated. But the implications are horrifying. Doctors will be coerced into a massive federal healthcare scheme, and government will serve as the leaky repository of patients' most intimate information. Much as the Patriot Act pried, this measure intrudes on a far more personal level. No patient left behind—or alone.

The president promises that computerizing doctors' records will "cut red tape, prevent medical mistakes, and help save billions each year." But in fact, the federal mandate is likely to destroy the progress being made with voluntary efforts to computerize records in a way that assures confidentiality and individual control of health data.

At this point, fewer than 20 percent of the nation's physicians have gone full-speed on computerization. Obama's plan offers between \$44,000 and \$64,000 to doctors who computerize patient records and up to \$11 million per hospital. "On the stick side of the equation," the *Wall Street Journal* reported, "the meas-

ure includes Medicare payment penalties for physicians and hospitals that are not using electronic health records by 2014." If records are digitized on the federal dime, it will be far easier for politicians to claim the resulting information.

But the feds have no technological silver bullet to distribute to docs across the land. David Kibbe, a top technology adviser to the American Academy of Family Physicians, warned Obama in an open letter late last year that existing medical software is often poorly designed and does a miserable job of exchanging information. Kibbe declared, "If America's physician practices suddenly rushed to install the systems of their choice, it would only dramatically intensify the Babel that already exists."

Marc Roberts, a Harvard professor of political economy and health policy, notes, "Many healthcare systems are now intentionally building medical record systems that are nonstandardized and noncompatible so they can own and control the data."

In the same way that George W. Bush bragged about the percentage increase in homeownership, President Obama will be able to boast about the increase in doctors' offices using electronic records. It didn't seem to matter to Bush that many of the new federally subsidized homeowners went bankrupt, and it may not matter to Obama that the federally controlled health-record system is bound to be a trainwreck.

The administration estimates that digitizing health records will create 212,000 jobs. But the *New York Times* noted in January, "So far, the only jobs created

have been for a small army of lobbyists trying to secure money for health information technology." At best, the plan will create jobs for legions of clerks. The low skills required would make a mockery of the promise that digitizing records will result in a sharp decrease in medical errors since the data-entry process would almost certainly produce vast bogs of blunders. Perhaps the real job creation will be for undercover agents to go around to doctors' offices to see whether there are compliant keyboards on the premises.

The idea that the feds will be dictating quality standards for private businesses is laughable, considering Uncle Sam's abysmal record on computer modernization. The IRS and the FBI have each gone through buckets of billions of dollars in vain efforts to create computer systems that were non-Paleolithic. The terrorist watch list has been a joke in part because numerous agencies used different software and created incompatible systems for identifying suspects. Remember the faulty no-fly list that grounded U.S. senators? Do we really want these same federal aces ruling on drug interaction and managing open-heart surgery?

One of the plan's aims is to create systems able "to exchange electronic health information with and integrate such information from other sources." This is a huge step toward a national database, and the centralization of 300 million Americans' health records should be seen in light of other data the government has already gathered. In the name of fighting terrorism, the feds have conscripted far more information than people realize.

And the Pentagon's pursuit of Total Information Awareness on the American people—combined with Congress's contempt for ensuring that federal agencies obey the law—assures that the surveillance horrors have only begun. If the government has the right to fine doctors for not digitizing their patients' files, wouldn't the feds also claim a right to punish those who refuse to turn over the records?

Team Obama is promising that the government will scrupulously respect the privacy of the newly computerized private data—a claim eerily reminiscent of President George W. Bush's 2004 promise that no American was being wiretapped without a warrant.

Consider the feds' record on protecting the confidentiality of personal records. Rep. Joe Barton (R-Texas), co-chairman of the Congressional Privacy Caucus, and 3,000 other people's health files were on a National Institutes of Health laptop stolen last year from a car trunk. The Veterans Administration was disgraced in 2006 after computer files with the Social Security numbers and other personal information of more than 20 million veterans were stolen. A VA inspector general report condemned the agency for its grossly negligent attitude toward protecting medical records.

But the biggest betrayal occurred with the Health Insurance Portability and Accountability Act of 1996, known as HIPAA, which left the Department of Health and Human Services to define medical privacy. When HHS finally proposed regulations in the last month of the Clinton presidency, it noted, "The electronic information revolution is transforming the recording of health information so that the disclosure of information may require only a push of a button. In a matter of seconds, a person's most profoundly private information can be shared with hundreds, thousands, even millions of individuals and organizations at a time." But the Bush administration

blocked the proposed privacy regulations and instead issued rules that largely abolished a patient's consent over the use of his own medical data. It rolled out a red carpet to industries hungry to exploit private health information.

Harvard law professor Richard Sobel observed, "HIPAA is often described as a privacy rule. It is not. In fact, HIPAA is a disclosure regulation, and it has effectively dismantled the longstanding moral and legal tradition of patient confidentiality." Physicians B.K. Herman and D. Peel noted in a 2004 article entitled "The End of Medical Privacy" that "the Hippocratic Oath, the foundation of medical ethics and the most important of all patients' rights, has been rescinded by federal decree." The Patient Privacy Rights Foundation warns that "over 4 million businesses, employers, government agencies, insurance companies, billing firms, and all their business associates that may include pharmacy benefits managers and pharmaceutical companies as well as marketing firms and data miners" are entitled to see and use individuals' healthcare records.

The issue is not whether the personal health information the government commandeers will be abused. It is simply a question of when, where, and how.

Medical data does not simply track the number of times a person goes to the doctor seeking a cure for a runny nose or stubbed toe. Medical records can include details of long-ago abortions, impotence or sexually transmitted diseases, antidepressants and mental breakdowns, AIDS or HIV status, or any number of diseases. No information is more integral to a person's existence—or more deserving of discretion.

We now know that psychologists were brought to the prison at Guantánamo to exploit detainees' weaknesses for interrogation purposes. Do the millions of Americans who have received psychological treatment want govern-

ment agents to have access to their vulnerabilities? Suppose that when a policeman pulls you over for a speeding ticket he can quickly tap into a database with your health records, including any therapy. Even before he walks up to your car window and demands your identification, he will know if you have a "problem with authority."

Surveys show that tens of millions of Americans are already engaged in deceptive or evasive behavior because they fear that their medical information could be used against them. The dread that computerized records will end up in a federal database would make far more people engage in "privacy-protective behavior." But of course the trust between doctors and patients is irrelevant compared to politicians' promises to take care of everyone.

Privacy is very lucrative for the Beltway boys: they reap millions when they betray it. Rep. Roy Blunt (R-Mo.) and Sen. Tom Harkin (D-Iowa) have each received more than a million dollars in contributions from health professionals and the pharmaceutical industry since 2000, and they each sponsored industry-favored amendments in the stimulus bill that would undermine patient privacy, the *Washington Post* reported.

A flood of campaign contributions from the telecommunications companies swayed congressmen to award phone companies retroactive immunity last year for violating federal law and betraying their customers' privacy. If congressmen would vote to permit phone companies to wiretap people's calls and e-mails illegally and unconstitutionally, why expect that they would not sell out health privacy as well? Civil libertarians can score isolated victories here and there, but the bankrolls of the healthcare industry, insurance companies, and pharmaceutical manufacturers will trump in the end.

The computerization of individuals' health records is a stepping stone toward

Obama's proclaimed goal of universal coverage. And there can be no universal coverage without universal submission.

This is why superior private alternatives that have been rapidly evolving are unacceptable to the feds. Both Microsoft and Google now offer individuals the opportunity to place personal health information online in secure accounts. Microsoft's HealthVault program and Google Health both offer better privacy guarantees than Uncle Sam does. There was no need for tens of billions of dollars in subsidies or the threat of endless penalties for these companies to create and offer such products. They simply responded to consumer demands for their services—but forced no universal program.

For patients who prefer not to have their data online, Sue Blevins of the Institute for Health Freedom notes, health information could be stored electronically on "cards that patients could take with them from doctor to doctor, rather than establishing a centralized system through the federal government." This would allow them to help new doctors quickly get up to speed on their medical history and avoid retaking tests. As long as progress is not paralyzed by a federal mandate, private companies will continue innovating and offering better, more secure solutions. But politicians reap no windfalls when problems are solved without their help.

Thus we are left with a facade of privacy protection and the reality of an iron fist for data collection. The Obama mandate is guaranteed to subjugate doctors and patients to politicians and bureaucrats. We'll be destroying real confidentiality for a bogus promise of efficiency. And Americans will be stuck with the huge bill for creating their own digital fetters. ■

James Bovard is the author of Attention Deficit Democracy and eight other books.

America's failure at "public diplomacy" is rooted in the misperception that the United States' foreign policy is fundamentally sound and only needs explaining to the huddled masses longing to be free. This decision to rely on propaganda rather than balanced news for a skeptical audience has led to the dismantling of much of Voice of America and Radio Free Europe and their replacement by neocon-dominated radio and television, including the Arabic services Radio Sawa and Alhurra television. The highly respected VOA, which concentrated on news and current events, no longer broadcasts in Arabic. The new media outlets, which emphasize pop music and entertainment, are controlled by a publicly funded, nominally private corporation called the Middle East Broadcasting Network.

During its last six months, the Bush administration attempted to suppress a July 2008 report on Alhurra commissioned by the University of Southern California's Annenberg School for Communication. That report, finally released under pressure in December, concluded that the satellite television station suffers from poor journalistic standards, uninteresting programming, and failure to provide any balance or opposing view in over 60 percent of its stories, resulting in a perception of bias. Its limited news coverage strongly favors American and Israeli government positions. Other reviews of Alhurra's performance, notably by the Government Accountability Office, have criticized the station's nepotism, poor management, staff problems, and financial misfeasance. A University of Maryland survey concluded that Alhurra is one of the least popular television stations in the Middle East, with a 2 percent audience share versus 53 percent for al-Jazeera.

Ironically, Alhurra has been criticized by Congress for providing a platform for Holocaust deniers and Islamic terrorists through its December 2006 coverage of an anti-Israeli conference in Tehran and a speech by Hezbollah leader Hassan Nasrallah. Alhurra had aired the two broadcasts in a desperate attempt to appear more balanced, but the result was that congressional pressure forced it to minimize any anti-American or anti-Israeli content.

Alhurra has particularly suffered from bad management. Larry Register, a producer from CNN, was hired in October 2006 to right the foundering ship, but his ignorance of Arabic meant that he was doomed from the start. Parent company MEBN's president Brian Conniff also does not speak Arabic so ostensibly manages a network that broadcasts programs he cannot understand. The current news director, Daniel Nassif, is Lebanese and has no experience in broadcasting, but is reportedly close to neocon Daniel Pipes, a number of Israeli Likud politicians, and also to Lebanese strongman General Michel Aoun.

And it should be noted that Alhurra, which means "the free one" in Arabic, is anything but. Since Sawa started in late 2002 and Alhurra launched in late 2004, they have cost \$500 million. In FY 2008, they together cost \$103 million plus engineering costs, which are currently rolled into the infrastructure expenses and cannot easily be broken out. VOA Arabic in its last year of operation cost \$7 million, including engineering costs. The good news is that President Obama is reportedly thinking of shutting down the entire operation.

Philip Giraldi, a former CIA Officer, is a fellow at the American Conservative Defense Alliance.

Unnatural Disaster

How the Fed creates booms and busts

By Thomas E. Woods Jr.

WE ACCEPT AS A FACT of economic life that plush times inevitably give way to lean times. Just as the moon waxes and wanes, the economy goes through booms and busts.

Median home price increased by 150 percent from August 1998 to August 2006. Over the next two years, home prices fell by 23 percent. Foreclosures skyrocketed.

The stock market has followed a similar course. When the New York Stock Exchange closed on Oct. 9, 2007, the Dow was 14,164.53, the highest close ever. Thirteen months later, it closed at 7,552.29, a drop of 46.7 percent. Retirement portfolios have been eviscerated. Unemployment has increased. When the figures are compiled the way government calculated them in the 1970s, the unemployment rate in November 2008 was 16.7 percent.

These personal dimensions of busts are used to justify government intervention, whether creating a safety net or drawing up regulations aimed at smoothing out the cycle supposedly inherent in the free market. But is this inevitable? Is the market economy really prone to sudden, inexplicable episodes of massive business error—or could something outside the market be causing it?

If politicians are honest in seeking a culprit, they will find that it's not capitalism. It's not greed. It's not deregulation. It's an institution created by government itself.

No one is surprised when a business has to close. Entrepreneurs may have

miscalculated costs of production, failed to anticipate patterns of consumer tastes, or underestimated resources necessary to comply with ever-changing government regulation. But when many businesses have to close at once, that should surprise us. The market gradually weeds out those who do a poor job as stewards of capital and forecasters of demand. So why should businessmen, even those who have passed the market test year after year, suddenly all make the same kind of error?

Economist Lionel Robbins argued that this "cluster of errors" demanded an explanation: "Why should the leaders of business in the various industries producing producers' goods make errors of judgment at the same time and in the same direction?" We call this pattern of apparent prosperity followed by general depression the business cycle, the trade cycle, or the boom-bust cycle. Does it have a cause, or is it, as Marx argued, an inherent feature of the market economy?

F.A. Hayek won the Nobel Prize in economics for a theory of the business cycle that holds great explanatory power—especially in light of the current financial crisis, which so many economists have been at a loss to explain. Hayek's work, which builds on a theory developed by Ludwig von Mises, finds the root of the boom-bust cycle in the central bank—in our case the Federal Reserve System, the very institution that postures as the protector of the economy and the source of relief from business cycles.

Looking at the money supply makes sense when searching for the root of an

economy-wide problem, for money is the one thing present in all corners of the market, as Robbins pointed out in his 1934 book, *The Great Depression*. "Is it not probable," he asked, "that disturbances affecting many lines of industry at once will be found to have monetary causes?"

In particular, the culprit turns out to be the central bank's interference with interest rates. Interest rates are like a price. Lending capital is a good, and you pay a price to borrow it. When you put money in a savings account or buy a bond, you are the lender, and the interest rate you earn is the price you are paid for your money.

As with all goods, the supply and demand for lending capital determines the price. If more families are saving or more banks are lending, borrowers don't have to pay as much to borrow, and interest rates go down. If there's a rush to borrow or a dearth of lending capital, interest rates go up.

There are some results of this dynamic that contribute to a healthy economy. Start with the case where people are saving more, thus increasing the supply of lending capital and lowering interest rates. Businesses respond by engaging in projects aimed at increasing their productive capacity in the future—expanding facilities or acquiring new capital equipment.

Also consider the saver's perspective. Saving indicates a lower desire to consume in the present. This is another incentive for businesses to invest in the future rather than produce and sell

things now. On the other hand, if people possess an intense desire to consume right now, they will save less, making it less affordable for businesses to carry out long-term projects. But the big supply of consumer dollars makes it a good time to produce and sell.

Thus the interest rate coordinates production across time. It ensures a compatible mix of market forces: if people want to consume now, businesses respond accordingly; if people want to consume in the future, businesses allocate resources to satisfy that desire. The interest rate can perform this coordinating function only if it is allowed to move freely in response to changes in supply and demand. If the Fed manipulates the interest rate, we should not be surprised by discoordination on a massive scale.

But suppose the Fed lowers rates so that they no longer reflect the true state of consumer demand and economic conditions. Artificially low interest rates mislead investors into thinking that now is a good time to invest in long-term projects. But the public has indicated no intention to postpone consumption and free up resources that firms can devote to those developments. On the contrary, the lower interest rates encourage them to save less and consume more. So even if some of these projects can be finished, with the public's saving relatively low, the necessary purchasing power won't be around later, when businesses hope to cash in on their investments.

And as a company works toward completing its projects under these conditions, it will find that the resources it needs—labor, materials, replacement parts—are not available in sufficient quantities. The prices will therefore be higher, and firms will need to borrow to finance these unanticipated increases in input prices. This increased demand for borrowing will raise the interest rate. Reality now

begins to set in: some of these projects cannot be completed.

Moreover, the kind of projects that are started differ from those that would have been started on the free market. Mises draws an analogy between an economy under the influence of artificially low interest rates and a homebuilder who believes he has more resources—more bricks, say—than he really does. He will build a house much different than he would have chosen if he had known his true supply of bricks. But he will not be able to complete this larger house, so the sooner he discovers his true brick supply the better, for then he can adjust his production plans before too many of his resources are squandered. If he only finds out in the final stages, he will have to destroy everything but the foundation, and will be poorer for his malinvestment.

In the short run, the result of the central bank's lowering of interest rates is the apparent prosperity of the boom period. Stocks and real estate shoot up. New construction is everywhere, businesses are expanding, people are enjoying a high standard of living. But the economy is on a sugar high, and reality inevitably sets in. Some of these investments will prove unsustainable.

That is one of the reasons the Fed cannot simply pump more credit into the economy and keep the boom going. Yet the economist John Maynard Keynes—back in fashion even though his system collapsed in the early 1970s when it couldn't account for stagflation—proposed exactly this: "The remedy for the boom is not a higher rate of interest but a lower rate of interest! For that may enable the so-called boom to last. The right remedy for the trade cycle is not to be found in abolishing booms and thus keeping us permanently in a semi-slump; but in abolishing slumps and keeping us permanently in a quasi-boom."

Keynes was dealing in fantasy. The more the Fed inflates, the worse the reckoning will be. Every new wave of artificial credit deforms the capital structure further, making the inevitable bust more severe because so much more capital will have been squandered and so many more resources misallocated.

As it becomes clear that so much of the boom is unsustainable, pressure builds for liquidation of malinvestments. The misdirected capital, if salvageable, needs to be freed up. Should the Fed ignore this and simply carry on inflating the money supply, Mises warned, it runs the risk of hyperinflation, a severe, galloping inflation that destroys the currency unit.

Writing during the Great Depression, Hayek scolded those who thought they could inflate their way out of the disaster:

Instead of furthering the inevitable liquidation of the maladjustments brought about by the boom during the last three years, all conceivable means have been used to prevent that readjustment from taking place; and one of these means, which has been repeatedly tried though without success, from the earliest to the most recent stages of depression, has been this deliberate policy of credit expansion. ...

To combat the depression by a forced credit expansion is to attempt to cure the evil by the very means which brought it about; because we are suffering from a misdirection of production, we want to create further misdirection—a procedure that can only lead to a much more severe crisis as soon as the credit expansion comes to an end. ... It is probably to this experiment, together with the attempts to prevent liquidation once the crisis had come, that we owe the exceptional severity and duration of the depression.

Although painful, the recession or depression phase of the cycle is not where the damage is done. The bust is the period in which the economy sloughs off the capital misallocation, re-establishes the structure of production along sustainable lines, and restores itself to health. The damage is done during the boom phase, the period of false prosperity. It is then that the artificial lowering of

come to an end so that the resources it employs can be reallocated to more sensible lines of production.

One more point is important to remember: all firms are affected by the artificial boom, not just those that embarked on new projects or came into existence thanks to artificially cheap credit. Mises observed, “in order to continue production on the enlarged scale

before the bust hits. If they do not react to the lower rates, their competitors surely will and might be able to gain market share at their expense. Someone will take the bait.

This does not, and is not intended to, account for the length of a depression. It is a theory of the artificial boom, which culminates in the bust. The bust period is longer the more government prevents the economy from reallocating labor and capital into a sustainable pattern of production. Government interference, in the form of wage or price controls, emergency lending, additional liquidity, or further monetary inflation—all aimed at diminishing short-term pain—exacerbate long-term agony. Malinvestments need to be discontinued and liquidated, not encouraged and subsidized, if the economy’s capital structure is to return to a sustainable condition.

There will always be those who, not understanding the situation, will call for more and greater monetary injections to try to keep the boom going, and their number has skyrocketed since the fall of 2008. In mid-December, the Fed set its federal-funds target at 0 to 0.25 percent, the Keynesian dream. Blinded by the same folly, Bank of England governor Mervyn King said he was ready to reduce rates to “whatever level is necessary,” including as low as zero—a move sure to perpetuate the misallocations of the boom and set the state for a far worse crisis.

Keynesian “pump priming,” whereby governments fund public-works projects, often financed by deficits, are another destructive if inexplicably fashionable course of action, based on the modern superstition that the very act of spending is the path to economic health. Take from the economy as a whole and pour resources into particular sectors: that should make us rich! Economic historian Robert Higgs compared plans like these to taking water from the deep end

THE CENTRAL BANK’S INTERVENTIONS INTO THE ECONOMY GIVE RISE TO THE BUSINESS CYCLE, AND **THE CENTRAL BANK IS NOT A FREE-MARKET INSTITUTION.**

interest rates causes the misdirection of capital and the initiation of unsustainable investments. It is then that resources that would genuinely have satisfied consumer demand are diverted into projects that make sense only in light of artificial conditions. For the mistaken bricklayer, the damage wasn’t done when he tore down the large house he couldn’t complete; the damage was done when he laid the bricks too broadly.

Investment adviser Peter Schiff draws an analogy between an artificial boom and a circus that comes to town for a few weeks. When the circus arrives, its performers and the crowds it attracts patronize local businesses. Now suppose a restaurant owner mistakenly concludes that this boom will endure and responds by building an addition. As soon as the circus leaves town, he finds he has tragically miscalculated.

Does it make sense to inflate this poor businessman’s way out of his predicament? Creating new money doesn’t create any new stuff, so lending him newly created money merely allows him to draw more of the economy’s resource pool to himself, at the expense of genuine businesses that cater to real consumer wishes. This restaurant is a bubble activity that can survive only under the phony conditions of the circus boom. It needs to

brought about by the expansion of credit, *all entrepreneurs*, those who did expand their activities no less than those who produce only within the limits in which they produced previously, need additional funds as the costs of production are now higher.”

Notice that the precipitating factor has nothing to do with the market economy. It is the government’s policy of pushing interest rates below the level at which the free market would have set them. The central bank is a government institution, established by government legislation, whose personnel are appointed by government, and which enjoys government-granted monopoly privileges. It bears repeating: the central bank’s interventions into the economy give rise to the business cycle, and the central bank is not a free-market institution.

But why can’t businessmen simply learn to distinguish between low interest rates that reflect an increase in genuine savings and low interest rates that reflect nothing more than Fed manipulation? Why do they not avoid expanding when the Fed ignites an artificial boom?

It is not so easy. Even businessmen who know that the Fed is keeping interest rates artificially low may still find it in their interest to borrow and launch new projects, hoping they can get out

of a pool, pouring it into the shallow end, and expecting the water level to rise.

Additional public-works spending not only deprives the private sector of resources by taxing people to support these projects, it diverts resources toward firms that may need to be liquidated and drives up interest rates if the projects are funded by government borrowing, thereby making bank credit tighter for private firms. These projects are the very opposite of what the fragile bust economy calls for. It needs to shift resources swiftly into the production of goods in line with consumer demand, with as little resource waste as possible. Government, on the other hand, has no way of knowing how much of something to produce, using what materials and production methods. Private firms use a profit-and-loss test to gauge how well they are meeting consumer needs. If they make profits, the market has ratified their production decisions. If they post losses, they have squandered resources that could have been more effectively employed on behalf of consumer welfare elsewhere in the economy. Government has no such feedback mechanism since it acquires its resources not through voluntary means but through seizure from the citizens, and no one can choose not to buy what it produces. These projects squander wealth at a time of falling living standards and a need for the greatest possible efficiency with existing resources.

Neither can the state seem to resist the temptation to extend emergency credit to failing businesses. If their positions were sound, credit would be forthcoming from the private sector. If not, then they should go out of business, freeing up resources to be used by more capable stewards. Diverting resources from those who have successfully met consumer demands to those who have not serves only to weaken the economy and make recovery that much more difficult.

One argument has it that economic

bubbles, sectors of the economy in which prices are artificially high, are caused by psychological factors that lead people to become irrationally committed to the production of particular kinds of goods. Such explanations may play a role in determining exactly which path the business cycle will take and which assets will be overvalued, but they cannot by themselves explain the bubble economy. Manias may steer overinvestment in one direction or another, but it's the Federal Reserve pressing the accelerator.

Mises reminds us that a sudden drive for a particular kind of investment will raise the prices of complementary factors of production as well as the interest rate itself. For a mania-driven boom to persist, there has to be an increasing supply of credit to fund it, since investments in that sector would grow steadily more costly over time. This could not occur in the absence of credit expansion.

The best way to avoid bursting economic bubbles and to clean up the

wreckage caused by artificial booms is to not initiate artificial booms in the first place. This would mean abandoning our superstitions about the expertise of Fed officials and their ability to manage our monetary system. But it's about time we listened to people who have a coherent theory to explain why these crises occur, saw this crisis coming, and have something to suggest other than juvenile fantasies about spending and inflating our way to prosperity. The choice is stark: we can follow the suggestions that prolonged the Great Depression or we can try a different approach that actually accounts for what is happening.

That would be change we can believe in. ■

Thomas E. Woods Jr. is a senior fellow at the Ludwig von Mises Institute and author of the New York Times bestseller The Politically Incorrect Guide to American History. This essay is adapted from his latest bestseller, Meltdown. Used with permission from Regnery Books.

Hablas McCarthyism?

Open borders, closed debate

By W. James Antle III

BY ALMOST ANY objective measure, proponents of “comprehensive” immigration reform should be feeling confident. With Democrats controlling both ends of Pennsylvania Avenue and the enforcement-first House Republicans reduced to a tiny, ineffectual rump, at least in theory the political conditions in Washington have never been more favorable to amnesty for illegal immigrants.

Even if the 2008 election had somehow turned out differently, it might not have mattered. Republicans nominated

John McCain, as in the McCain-Kennedy immigration bill, to replace George W. Bush in ensuring that family values don't stop at the Rio Grande. Both major-party candidates happily told the Spanish-language media that they were more committed than their opponent to delivering on amnesty. Tom Tancredo's GOP presidential bid didn't even last until the Iowa caucuses.

Yet when a few immigration restrictionists held a press conference to discuss a report suggesting that amnesty might be

more popular among the political class than ordinary voters, the event was deemed worthy of an editorial denunciation by the *New York Times*. Former U.S. Treasurer Bay Buchanan, respected political commentator James Pinkerton, VDARE editor Peter Brimelow, and American Cause executive director Marcus Epstein were labeled white supremacists and not too subtly blamed for anti-immigrant violence.

Accusations of racism are par for the course in the immigration debate, a familiar ritual performed in Southern Poverty Law Center fundraising letters and on the editorial pages of liberal metropolitan newspapers like the *Times*. But the tenuous link between anti-amnesty political opinions and actual violence against immigrants is now being used as justification for moving beyond calling names to calling the police—that is, to report the “hate crime” of holding the wrong views about immigration policy.

Even describing supporters of a lenient immigration policy as advocates of “open borders” or “blanket amnesty”—which in some cases is normal political hyperbole and in others is literally true—now qualifies as “hate speech,” according to *Daily News* columnist Dolores Frida. “Hate speech leads to hate crimes,” Frida writes. “No argument about that. Violence against Latinos has increased by 40 percent in the past four years—sometimes with deadly results, as evidenced by last year’s murder of Ecuadoran immigrant Marcelo Lucero on Long Island.”

To prevent the unwashed masses from being worked into a murderous frenzy by Fox News pundits complaining about McCain-Kennedy, the National Hispanic Media Coalition has filed a petition with the Federal Communications Commission to, as Frida puts it, “examine the extent, nature and effects of hate speech” and “counterbalance its negative impact.” Although herself a

beneficiary of freedom of the press, the *Daily News* scribe endorses such measures. “Certainly, no one wants to inhibit anyone from expressing his opinion, regardless of how vile it may be,” Frida allows generously, “but a fair, safe, middle ground must be found.”

Janet Murguía of the National Council of La Raza also desires a “middle ground” between the First Amendment and censoring commentators like CNN’s Lou Dobbs with whom she disagrees about immigration policy. “Everyone knows there is a line sometimes that can be crossed when it comes to free speech,” she told the *New York Times* last year. “And when free speech transforms into hate speech, we’ve got to draw that line.”

Murguía’s La Raza has joined with a who’s who of liberal organizations—the Anti-Defamation League, the Center for American Progress, the Leadership Conference on Civil Rights, George Soros’s Media Matters, the Mexican American Legal Defense and Education Fund, and, of course, the Southern Poverty Law Center—to police such speech. They have even launched a website called We Can Stop the Hate dedicated to “taking the heat out of the immigration debate.” And a good bit of the light as well.

If this campaign were truly focused on preventing the advocacy of violence or clearing the airwaves of racial slurs, it would be understandable and even admirable. But much of what they consider “hate” is simply a matter of taking a different position than La Raza on the facts in dispute in the immigration debate. The website’s “code words of hate” include any references to possible Mexican irredentism or discussion of immigration’s impact on crime, welfare, and public health. Arguments concerning assimilation, the suppression of American wages, and illegal immigration’s cost to the taxpayer are dismissed as “myths.”

To be sure, these are all debatable issues, and the National Council of La Raza has arguments it can supply for its positions. But to take just one example, there are perfectly mainstream and credible economists who have authored reputable studies providing evidence that unskilled immigration bids down American wages. One can find other studies arguing that such research is wrong, of course, but citing this data is clearly not hate speech.

The people behind We Can Stop the Hate would have us believe that reading the work Harvard economist George Borjas has done on immigration and wages is likely to fuel a violent anti-immigrant rampage. This is, not to put too fine a point on it, an absurd and transparent attempt to shut down any meaningful conversation about a controversial issue. Keeping factual information out of the public debate isn’t protecting the country from hate. It is censoring essential political discourse.

American liberals have gone down this path once before. By the early 1970s, many had convinced themselves that all criticism of crime, welfare, affirmative action, forced busing, and even high tax rates was just thinly disguised racism. They talked about “code words” and “white backlash,” hinting this was all part of a “Southern Strategy” by conservative Republicans that threatened to roll back black Americans’ hard-won civil rights. They referenced Richard Nixon’s appeals to former George Wallace voters and Ronald Reagan’s campaign appearance in Philadelphia, Mississippi, where three young civil-rights workers were murdered in 1964.

Surely there were a few white racists who cast ballots for Nixon or Reagan in the hopes that they would reverse the progress blacks had made since the end of Jim Crow. There were many more than a few such people who voted for Barry Goldwater in 1964, at the height of

the civil-rights movement. Not everyone who uttered the phrase “law and order” did so with pure motives. But it turned out that crime, welfare, high taxes, and some of the new inequities imposed in the name of resolving old ones really were legitimate problems that millions of Americans wanted solved for reasons having nothing to do with hatred of black people. The failure of too many liberals to understand these facts paved the way for a conservative political ascendancy.

When Democratic Congressman Charles Rangel said in 1995 that “tax cut” was a racial epithet for those too faint of heart to say “nigger” or “spic,” he was widely ridiculed. The race card was played until it was dog-eared, thus the tactic lost much of its force. Perhaps a similar development will occur in the immigration debate. There are genuine examples of racism and bigotry in the immigration-restrictionist movement. There are many more examples of care-

immigration. But that outcome is by no means guaranteed. Laws against “hate speech” are now much more developed throughout the Western world. They have not been applied only to skinheads and violent thugs. In Europe and Canada, prominent political leaders, journalists, and bloggers have been pulled before politically correct tribunals to account for their thought crimes on subjects ranging from homosexuality to Islam.

The United States has a much stronger tradition of free speech, but it may not be immune to these trends. The multiculturalists of today are far more eager to use government power and social pressure to stifle opinions with which they disagree than the liberals of the Pentagon Papers era. The multiculturalists ensconced in our federal bureaucracies aren’t much different in their views than their peers at the United Nations, the European Union, or Canada. And if the much more

The recession, along with a recent state and federal crackdown, is reportedly causing many illegal immigrants to self-deport. There is some evidence that new entries have also declined. In this economic climate, amnesty would be difficult to pass and the illegal population may not need as much of a nudge from immigration law enforcement. It is something of a cliché among immigration restrictionists to quote Bertolt Brecht to the effect that their opponents wish to dissolve the American people and elect another. But amnesty advocates may not even be able to wait that long—shutting the American people up may be a better option.

If multiculturalists succeed in forcing the immigration debate underground, the problems associated with porous borders won’t go away. Instead they will probably get worse—and so might the dangerous anti-immigrant attitudes that are the ostensible point of this whole exercise. Look at some, though by no means all, of the most vociferous critics of Muslim immigration in Europe. The Southern Poverty Law Center may imagine there is no real difference between France’s Jean-Marie Le Pen and American immigration reformers like Mark Krikorian or Roy Beck, but the differences are fairly obvious.

The end result could be the worst of all possible worlds—the problems associated with uncontrolled immigration would continue, with responsible voices against such policies silenced in favor of cranks fanning the flames. To paraphrase an old anti-gun-control slogan, if opposition to illegal immigration is hate speech then only haters will oppose illegal immigration. Immigration expansionists insist there is no tension between multiculturalism and a free society. Let them prove it. ■

W. James Antle III is associate editor of The American Spectator.

LAWS AGAINST “HATE SPEECH” ARE NOW MUCH MORE DEVELOPED THROUGHOUT THE WESTERN WORLD. THEY HAVE NOT BEEN APPLIED ONLY TO VIOLENT THUGS.

less statements that lack the sensitivity or nuance required in an intelligent discussion of an emotional subject with the subtexts of race and ethnicity. Even sophisticated arguments about the cultural, as opposed to economic, consequences of our current immigration patterns can easily bleed into hostility toward Hispanics as people. But there are many real problems caused by unchecked immigration that have nothing to do with hatred of brown people, some of which fall particularly hard on Hispanic Americans themselves.

Just as liberal guilt-mongering could not forever suppress debate of crime and welfare, there is reason to hope that the facts will ultimately prevail over those who would silence dissent on

severe problems associated with immigration in places like Holland and Denmark haven’t stopped efforts to curtail debate, why would technical arguments about wages and assimilation do so here?

Mass-immigration apologists also have a sense of urgency. Their dominance in the elected branches of the federal government may be an illusion. In 2007, a sympathetic Republican president and Democratic Congress failed to enact an amnesty. There is considerable speculation that one won’t be brought up anytime soon in all-Democratic Washington. White House chief of staff Rahm Emanuel is said to be closer to The American Cause than the *New York Times* editorial board on the subject of amnesty’s popularity.

Playing Defense

Cutting military spending is politically unpopular, but more dollars don't make a better Army.

By Winslow T. Wheeler and Pierre M. Sprey

UNTIL LAST SUMMER, just about everyone on Wall Street was dismissing the indicators of coming financial collapse. Similarly, no one in the lobbyist-infested halls of Congress and the Pentagon wants to see the signposts of our impending defense meltdown. But consider four ugly facts:

- Defense is being showered with more dollars today than at any time since the end of World War II.
- The forces the Pentagon has been buying with those growing dollars have been shrinking steadily since 1946.
- These shrinking forces are more and more antiquated: the average age of our aircraft, ships, and tanks has been increasing relentlessly since the '50s.
- Despite all the extra money, training is shrinking, too. Key combat units are being sent to fight in Iraq and Afghanistan with less and less training.

How did the Bush administration deal with these uncomfortable truths? On their way out of town, they left a five-year plan that exacerbates each of the four harbingers. Re-appointed by Obama and now stuck with that plan, Defense Secretary Robert Gates needs to decide if he wants to be Bush's holdover or morph into Barack Obama's new broom, bringing change to bad old Pentagon ideas, some of them his own.

In his farewell article in last fall's *Foreign Affairs* and in his welcome-back testimony to the House and Senate in

January, Gates decried a defense budget riddled with "baroque" and irrelevant weapons at unaffordable cost. He warned, "the spigot of defense funding opened by 9/11 is closing."

This is important, perhaps prophetic, rhetoric. But if, like Greenspan's "irrational exuberance," Gates's ringing words remain untainted by action, they will simply mask festering problems. If, on the other hand, he decides to act, his first task must be to control the root of the evil, the money.

To understand, we need only to look at what we've spent and the forces those dollars have bought. According to Defense Department budget plans and records, at over \$670 billion for 2009, we will be spending more on the Pentagon than at any point since 1946. In inflation-adjusted dollars, the Pentagon budget is higher today than at its peaks for either Korea or Vietnam—though both of those were far larger than our current wars.

This significantly expanded budget only buys us dramatically shriveled forces. The major combat units that make up our Army, Navy, and Air Force are at their lowest ebb since 1946.

Specifically, at just over ten Army division equivalents, we have the smallest combat Army in the last 60 years, at the highest budget since the end of World War II. For past modern conflicts, there were major Army expansions, but for Iraq and Afghanistan, a very modest plan to add 60,000 soldiers for new combat formations has not even begun

to show up in Army records, though the \$100+ billion cost has.

Similarly, we now have a smaller Navy, under 300 combat ships, than at any point since 1946, but the Navy's budget is now above the historic norm for the post-World War II era. In the same way, the number of wings of fighters and tactical bombers in the Air Force has collapsed from 61 in 1957 to just ten today. The budget? Also well above the historic norm.

The five-year plan Gates dropped on Obama's doorstep continues this shrinkage, according to the Congressional Budget Office, leaving us with key weapons that are older and scarcer than ever.

Symptoms of our unpreparedness abound: tank drivers get fewer training miles today than they did during the readiness-cutting Clinton administration. Fighter pilots get fewer training hours in the air than during the hollow defense years of the Carter administration. And the latest public readiness ratings reveal that not one major Army combat unit in the U.S. was rated fully ready to go to war—not even the ones sent to battle in Iraq and Afghanistan.

More money has not solved these problems. Quite the contrary: it enables the Pentagon and the Congress to make them worse. Beyond the extra \$800 billion appropriated since 2001 ostensibly to fight the wars in Iraq and Afghanistan, the non-war Pentagon budget has been showered with an additional \$750 billion. That money was squandered by a

defense acquisition system that sheds the feeble reforms of witless Pentagon officials like a Labrador shakes off water. Squandering at least as much, Congressmen heaved billions more in pork, pandering to the hordes of defense contractors seeking handouts.

A classic example of how more money leads to force decay is our Air Force, now in the final stages of spending \$65 billion for the F-22 fighter aircraft. All that money bought a disgracefully puny inventory of 184 at an unconscionable \$355 million per fighter—about three times the price initially promised. These will replace less than half of the 450 F-15 fighters now in the Air Force and obviously cannot reverse the aging of the fleet.

But isn't the F-22 a vastly superior fighter? Won't all that hyper-expensive technology offset the small numbers? No. The F-22's widely advertised prowess depends on a fantasy concocted by high-tech big spenders shortly after the Korean War: "beyond visual range" air combat. The plan was to identify the enemy as a blip on the radar, lock on with a 15-mile radar missile, fire, and watch the blip disappear. The ugly reality is that every time we've tried that, from Vietnam to Iraq, with more than a handful of friendly and enemy fighters in the air the "identify the enemy blip" part fails and we wind up shooting at friends. The engagement rules have to be changed to "eyeball identification required," and we're back to hard maneuvering dogfights.

The F-22 is the distillation of that failed dream. The huge weight, drag, and complexity burden of its stealth-compromised skin, big-ticket radar, and belly-fattening radar missile load have swollen it to bomber size, wrecked its maneuvering performance, and run its cost through the roof. The radar is useless because turning it on makes the F-22 an instant target. The stealth fails against World War II-technology search radars and against enemy fighters savvy enough to turn off their

radars. The F-22's vaunted effectiveness is based only on peacetime exercises using rigged ground rules and missile lethality numbers unrelated to actual combat results or real enemy countermeasures. Even more telling is the number of combat sorties the F-22 has flown to help the fights in Iraq or Afghanistan since going operational in 2006: zero.

And how do the Pentagon and Congress deal with the crushing cost and ineffectiveness of the F-22? In Bush's Pentagon last year, Gates found the pros and cons of spending yet more on the F-22 to be such a "close call" that he punted the decision to the new secretary of defense. Now in receipt of his own punt, Gates is huddling with Obama's "new" Pentagon team (mainly retreaded Clintonites) cogitating over the fate of the F-22.

THE F-22'S VAUNTED EFFECTIVENESS IS BASED ONLY ON PEACETIME EXERCISES USING RIGGED GROUND RULES UNRELATED TO ACTUAL COMBAT RESULTS.

Insiders say that they're coming up with a classic compromise guaranteed to make everything worse: buy a few more F-22s now and pay for them by "saving" money out of the clearly unraveling F-35 Joint Strike Fighter program. The F-35, still in its early stages, is headed for major cost overruns, schedule delays, and performance calamities, perhaps even surpassing the F-22 mess.

But will the new Gates team really save money in the F-35 program? Not a chance. The business-as-usual plan doesn't terminate the F-35, which would save serious money; it just delays production. That allows temporary transfer of the money needed now to keep the F-22 slurping at the public trough and kicks the can down the road for the F-35. The stretch-out only makes the F-35 more expensive, which in turn further reduces the force size—all to keep alive a deeply flawed, unfixable design.

Multiply this approach by the thousands of hardware programs then raid the personnel, maintenance, and training accounts to pay for the hardware overruns and presto: you get our shrinking, aging, less ready to fight defense forces.

And how do they react in the halls of Congress and the Pentagon? Send more money.

Civilian and military politicians learned from their experience with Clinton that Democrats can be cowed by labeling them "anti-defense" if they dare to deny the Pentagon anything. The military services, contractors, and their media propagandists hammered away at Clinton until he coughed up annual budgets well in excess of what Bush 41 and his secretary of defense, Dick Cheney, planned for the 1990s. Mean-

while, Republicans in Congress larded those bloated Clinton budget requests with add-on appropriations. Uninterested in spending on battlefield necessities for the troops such as training, maintenance, ammunition, body armor, and the like, the Joint Chiefs of Staff and Congress piled on pricey items like the F-22. Come 9/11 and the wars in Iraq and Afghanistan, our grunts were painfully short of what they needed most in real war—and paid the price in blood.

Now we are seeing exactly the same games—and the same game players—being trotted out to force Obama to run up the defense budget. Here are a few of the gambits:

The Add-Fat-Before-Cutting Scheme: Last summer, Secretary Gates and the Pentagon conjured up a preemptive fattening of the budget they were handing to the next president, adding a \$60 bil-

lion nest egg. In February 2009, Obama's Office of Management and Budget blocked the play and restored the pumped-up 2010 Pentagon budget to its original figure, a not inconsiderable \$527 billion, a \$12 billion increase over 2009. Not surprisingly, the big spenders are calling this an Obama defense budget "cut."

The Prime-the-Pump Scheme: Like Wall Street and its economist spinmeisters, the defense contractors and their Pentagon allies are jumping on the stimulus bandwagon, asking for \$30 billion. Of course, DOD spending generates jobs. Unfortunately, it does so more slowly, less efficiently, and with much more overhead than other government spending—or even tax cuts. We'd be hard-pressed to come up with a worse way of stimulating the economy than pouring extra dollars into outrageously expensive Pentagon programs already in trouble.

The Unforeseen-Emergency Scheme: The Gates Pentagon has yet to submit its money plan for war spending, as opposed to its plan for "normal" Pentagon spending, for the rest of 2009 and for 2010. Since the Vietnam War, these "emergency supplementals" have been hiding holes for superfluous spending unrelated to the wars, stuffed in by both the Pentagon and Congress. Will the Obama administration bring "change" to the hidden abuse of war funding?

The Unapproved-Wish-List Scheme: Each year for the last 15 or so, the military services have sent Congress a list of spending programs euphemistically called "unfunded requirements," amounting to tens of billions of dollars. None of these additional billions are reviewed by a secretary of defense or a president. They constitute an end-run by the military services for unapproved spending, with Congress acting as a willing enabler. It would

be a sign that the spigot overflow of 9/11 is indeed drying up if Gates puts an end to this flouting of his and the president's authority.

The unending proliferation of such schemes has rotted America's defenses to the core. We've had 45 years of reform initiatives, and each has fizzled. We'll know that the Obama administration has snipped this unbroken string of failures when Secretary Gates translates his rhetoric into actions that change the money

flow. And there's no better place to start than by axing a few of these Pentagon budget-busters—his own included. ■

Winslow T. Wheeler is the director of the Straus Military Reform Project at the Center for Defense Information. Pierre M. Sprey was a major participant in the formulation of the F-16 and the A-10. Both contributed chapters to the recently released book America's Defense Melt-down.

Burdening Israel

The weight of being the bulwark of civilization

By Brendan O'Neill

IT IS A "beleaguered, courageous little democratic upholder of freedom and enlightenment." It is defending "the modern world and its achievements" and "the very future of our species." It stands on "the side of morality, justice, and civilization," and anyone who criticizes it is a "fellow-traveller of barbarism." It is possessed of the "values that underscore the Judeo-Christian culture that fostered the Enlightenment" and is a beacon of "political liberty and freedom."

What could these commentators possibly be gushing about? A plucky new political movement that fights for democracy, liberty, and Truth with a capital T? A humanist journal that faces down the tidal wave of relativism and makes the case for Enlightenment values?

In fact, they're writing about Israel, that small, militaristic state in the Middle East, which has just executed a

bloody war in Gaza and is increasingly seen by culture warriors in the West as the final defense against barbarism; against the unenlightened hordes; against a one-eyed, militant, global conspiracy that would destroy the Western way of life forever.

There are major differences in the way Americans view Israel—most are generally favorable—and the way Europeans view Israel—many are increasingly hostile to the Jewish state. Yet what unites pro-Israel thinkers on both sides of the Atlantic is a view of Israel as a representative of everything progressive and decent. Across the West, more and more anti-relativist, pro-reason writers are projecting their fears for the future of civilization onto the Middle East, imagining that Israel, that last defender of old-fashioned national sovereignty, is fighting not only for its right

to exist but for the continued existence of the ideals of the Enlightenment itself.

This is a mad, bad, ill-informed fantasy. A hundred years ago, the German Socialist August Bebel coined the phrase “socialism of fools” to describe those left-wingers who blamed Jews for the ills of modern society. Today, in the elevation of Israel to the position of protector of “the very future of the human species,” we have an “Enlightenment of Fools”—a political posture that both obscures the true origins of anti-Enlightenment sentiments today and places an intolerable burden on the shoulders of the tiny Jewish state.

A new band of writers is continually infusing the squalid wars in the Middle East with a historic, end-of-days momentum. Where many of us recognize that the Israeli-Palestinian clash is a hangover from the national conflicts of the Cold War era, and one that has been exacerbated by the partitionist, divisive politics of the “peace process” instituted by Washington, the Israel-as-Enlightenment lobby sees it as a civilizational war in which Western values might be crushed by the enemies of progress.

During Israel’s attacks on Gaza, writer Ruth Dudley Edwards said Israel had “every right to bomb Hamas” because it is fundamentally fighting to “uphold freedom and enlightenment.” British journalist and author Julie Burchill, who describes herself as a “philosemite,” described Israel as “our Jews,” in the sense that if Israel were to be “wiped out,” then “we will be wiped out, too, all of the modern world and its achievements—swept back into the Dark Ages mulch from whence we came.” Burchill says Israel represents “mankind” and “the very future of our species.” Here, rather than seeing the conflict in the Middle East for what it is—a messy, complex clash over territory, sovereignty, and identity—pro-Israel writers reduce it to a simplistic, cartoon war

between progress and darkness, in which the fate of Israel gets dangerously tangled up with the fate of the entire modern world.

Earl Tilford writes in *Frontpage* magazine about the contrast between Israel, a product of the “Judeo-Christian culture that fostered the Enlightenment” and its neighboring states, which are possessed of a “medieval cultural ethos ... more reminiscent of tribalism than civilized society as the West knows it.” In his book *The Case for Israel*, Alan Dershowitz moves beyond making the case for a specifically Jewish homeland and instead transforms Israel into a civilization symbol. Israel “deserves to exist,” he says, “as a beacon of liberty and democracy in a sea of tyranny and hatred.” Mark Steyn argues that Samuel Huntington’s “clash of civilizations” thesis came horribly to life in Israel’s fight against Gaza.

urgent defender of “morality, justice and civilization.” Of course, Israel has local enemies, but Hamas and Hezbollah, two increasingly weak and isolated movements, are hardly a “tyranny” that will “envelop” the world and cause Western civilization itself to “fall.” Yet again and again, Israel’s “enlightened” backers talk up the threat in the Middle East and present themselves and their own ways of life—their values—as also being under attack from the forces of “irrational hatred and genocidal hysteria” lined up against Israel. Indeed, they spread global conspiracy theories that sound similar to those spouted by anti-Semites, only this time it’s a cabal of anti-Jews that threatens the world.

Melanie Phillips, one of Europe’s most zealous supporters of Israel, who is now widely published in conservative, pro-Israel publications in the U.S., says, “The issue of Israel sits at the very apex

A NEW BAND OF WRITERS IS CONTINUALLY INFUSING THE SQUALID WARS IN THE MIDDLE EAST WITH A HISTORIC, END-OF-DAYS MOMENTUM.

Where once Israel was seen by Republicans and some conservatives as a useful political ally of America, it is increasingly discussed as a cultural ally, even an existential one. In *The Objective Standard*, John David Lewis says Israel stands at “the front-line of the war between civilization and barbarism.” Echoing Eric Hoffer’s famous *Los Angeles Times* article of 1968, in which Hoffer argued that “should Israel perish, the holocaust will be upon us all,” another British “philosemite” claimed this year that Israel is at the “defensive frontline against a tyranny that wants to envelop us all. If Israel were to fall, the rest of us would not be far behind.”

Here we can glimpse the fantasy politics, even the conspiracy theory, that underpins the promotion of Israel as the

of the fight to defend civilization. Those who want to destroy Western civilization need to destroy the Jews, whose moral precepts formed its foundation stones.” From this mythic perspective, the ragtag militant groups that launch attacks against Israel are not motivated by local or political grievances but by a deep, hidden desire to kill off the Jews in order ultimately to finish off Western civilization. Phillips warns, “Unless people in the West understand that Israel’s fight is their own fight, they will be on the wrong side of the war to defend not just the West but civilization in general.”

What is going on here? How can a conflict that looks to many reasonable people like a long-running national and political clash be described as a grand

battle for mankind? In effect, Israel is cynically, and lazily, being turned into a proxy army for a faction in the Western Culture Wars that has lost its ability to defend Enlightenment values on their own terms or even to define and face up to the central problem of anti-Enlightenment tendencies today.

It is striking that many of the new-found, passionate defenders of Israel in the Western public debate are the same people who have raised legitimate concerns about the rise of relativism and the denigration of truth over the past ten to 15 years. *Frontpage* magazine, Mark Steyn, Melanie Phillips, Ruth Dudley Edwards, and numerous other right-leaning thinkers and writers have, in different ways and with varying degrees of success, tried to counter backward intellectual trends and made the case for rationalism, science, and excellence in the academy and the arts.

In debates about education, for example, they critiqued the trend toward “dumbing down” and “relevance” and defended a Plato-style communication of knowledge and rigorous training of the next generation’s minds. In the discussion about multiculturalism in Europe, or what one pro-Enlightenment, pro-Israel writer describes as “state-sanctioned sectarianism,” they attacked the move toward community separatism and the worship of all cultures as “equally valid.” They criticized the transformation of

national museums, products of the Enlightenment, into community outreach centers and for the most part stood up for free speech against the patronizing idea that certain words should be censored to protect the sensitivities of small communities or ethnic minorities.

All of this was—and is—an uphill struggle. It is hard work, in our Age of Relativism, to argue for the values of liberty, equality, and excellence. As the cliché goes, where the Right won the economic war, the cultural Left—with its innate hostility toward apparently oppressive and discriminatory “Western values” (always said with a sneer)—won the Culture War. Faced with the relentless denigration of intellectualism, the defenders of Enlightenment values became increasingly discombobulated and allowed their arguments to become shrill caricatures.

Over the past few years, since 9/11 in particular, they have opportunistically hitched their pro-civilization stance to the war against al-Qaeda, against myopic Islamic radicalism, against small groups of religious militants whom they depict as the greatest threat to the Western way of life. Their flagging, battered 1990s struggle to defend the Enlightenment was re-energized by the brutally simplistic war on terror. Eventually they came to see Islamic militancy as the great enemy of the Enlightenment and thus Israel—Public Enemy No. 1 of all Islamic militants—as its supreme defender.

This is a worrying development. It distorts the truth about the conflict in the Middle East. The Israel-as-Enlightenment lobby vastly exaggerates the threat posed by Israel’s enemies, which are not capable of destroying Israel, much less the “foundation stones” of Western civilization. It also exaggerates the coherence and vision of the Israeli state. Far from being an outpost for civilizational values, Israel is, in the words of one Israeli commentator, a collection of

“frightened people, wishing for someone strong and forceful, who will miraculously fend off the people’s enemies, real and imaginary.”

Worst of all, the “enlightened” pro-Israel lobby now presents the threat to Western values as a purely external one, emanating from the slums of Gaza or the towns of southern Lebanon or the radical mosques of Iran when, in truth, the Enlightenment is being corroded from within the West itself. In describing Israel’s wars with Palestine as a fight to defend “not just the West but civilization in general,” pro-Israel groupies are partaking in a political and theoretical displacement activity of historic proportion.

It is of course true that Jews have contributed enormously to history, literature, and culture. Yet as Richard S. Levy argues in his book *Anti-Semitism: A Historical Encyclopaedia of Prejudice and Persecution*, simple philosemitism, like anti-Semitism, also treats the Jews as “radically different or exceptional.” Only in this instance, they are looked upon as the saviors of mankind, the lone defenders of civilization rather than as society’s destroyers. Where anti-Semites project their frustrations with the world and their naked prejudices onto the Jews, and frequently onto Israel, too, the new philosemites project their desperation for political answers, for some clarity, for a return to Enlightenment values onto Israel and the Jews. Neither is a burden that the Jewish people can, or should, be expected to bear.

Anyone interested in breathing life back into the enlightened way of life and thinking should be prepared to have some hard arguments, alongside Jews, Muslims, and anyone else who wants to get involved, rather than pushing Israel forward as a kind of canary in the mine of collapsing Western civilization. ■

Brendan O’Neill is editor of spiked in London (www.spiked-online.com).

Subscribe to

The American
Conservative
Today.

The magazine for
thinking conservatives

www.amconmag.com

Higher Law

Will states' rights go up in smoke?

By Kelley Beaucar Vlahos

THINGS SEEMED to be going very wrong for the state medical-marijuana movement. Two days after Barack Obama was sworn in, federal agents began a series of raids on licensed cannabis dispensaries and growers in California and Colorado—something Obama had suggested would not happen in his presidency.

Activists remembered that in 1999 candidate George W. Bush, when asked about state medical-marijuana efforts, declared, “I believe each state can choose that decision as they so choose.” He went on to crack down on doctors, dispensaries, farmers, and terminally ill patients who use marijuana according to their states’ laws.

Advocates felt fooled again. Just a year ago, campaigner Obama told the *Mail Tribune* in Oregon, “I think the basic concept that using medical marijuana in the same way, with the same controls as other drugs prescribed by doctors, I think that’s entirely appropriate. I would not punish doctors if it’s prescribed in a way that is appropriate; that may require some changes in federal law.” In August 2007, he was asked a similar question on the trail in Nashua, New Hampshire. “I would not have the Justice Department prosecuting and raiding medical marijuana users,” he said. “It’s not a good use of our resources.”

Indeed, more states have legalized medical marijuana in the last 13 years than at any time since the drug was outlawed in 1937. Even as Obama won the election, Michigan became the 13th state—the first in the Midwest—to pass a new policy. The measure won with 63 percent of the vote.

So is Obama a fair-weather friend? After a brief but carefully tuned White House statement on Feb. 9, advocates believe that the administration may have been just as surprised by the raids as they were. It is thought that the DEA might have been tending to some last-minute business before Obama fleshed out his new agenda, which includes a replacement for Michele Leonhart, a Bush appointee still serving as DEA acting administrator. “The President believes that federal resources should not be used to circumvent state laws, and as he continues to appoint senior leadership to fill out the ranks of the federal government, he expects them to review their policies with that in mind,” said White House spokesman Nick Shapiro.

Bruce Mirken of the Marijuana Policy Project, which in 2007 hired Libertarian Bob Barr as a lobbyist, says that his group is watching with “great interest how this unfolds.” “Given that the White House has reaffirmed the campaign promises he made,” Mirken says, “we are very hopeful.”

He’s no Pollyanna, however. Advocates see veteran “drug warriors” like White House Chief of Staff Rahm Emanuel, new Attorney General Eric Holder, and Vice President Joe Biden at the levers of power and know federal drug policy could turn on them in an instant. But if Obama’s first instincts for limited federal power over pot prevail, he could set in motion a series of unprecedented local and state reforms and perhaps give Congress enough cover to change federal law.

“This is wonderful news—if it happens. It means the states will be able to

make public-health decisions for people who are suffering or dying and for whom marijuana is a palliative treatment,” says Randy Barnett, a constitutional law professor at Georgetown who unsuccessfully argued for the plaintiffs in *Gonzales v. Raich* in 2005.

In that landmark case, the Supreme Court affirmed, in a 6-3 decision, that the Constitution’s commerce clause permitted Congress, via the federal Controlled Substances Act, to prohibit the use of marijuana for medicinal purposes. “It was a huge blow,” says Barnett. The three dissenters—then Chief Justice William H. Rehnquist and Justices Sandra Day O’Connor and Clarence Thomas—balked at the majority for preventing “an express choice by some states, concerned for the lives and liberties of their people, to regulate medical marijuana differently.”

The two plaintiffs, Angel Raich, a brain-cancer patient, and Diane Munson, who suffered from chronic back pain following a car accident, had been arrested for cultivating and using—though not selling—marijuana under California law. Thomas took on the commerce clause argument directly: “[I]f the majority is to be taken seriously, the Federal Government may now regulate quilting bees, clothes drives and potluck suppers throughout the 50 states.”

Officials from Mississippi, Alabama, and Louisiana recognized a good federalist fight and weighed in with an amicus brief: “The question presented here is not whether vigorous enforcement of the Nation’s drug laws is good criminal policy. It most assuredly is. The question, rather, is whether the Constitution

permits the Federal Government, under the guise of regulating interstate commerce, to criminalize the purely local possession of marijuana for personal medicinal use. It does not."

Obama's apparent willingness to use discretion couldn't come at a more opportune time. Until now, only California and Colorado have allowed personal cultivation and state-sanctioned channels to deliver pot to patients. In California, there are several hundred dispensaries, part of a burgeoning cottage industry that unofficial estimates say generates more than \$150 million annually. But because of California's unbridled image and a wariness of federal blowback, the other 11 states that legalized medical marijuana have been reluctant to grow their programs beyond the laws on paper, frustrating advocates who believe that sick and dying people should have an alternative to costly and addictive pharmaceuticals. New Mexico, which passed its medical-marijuana law in 2007, is gingerly moving ahead with a network of dispensaries, as are voters in Oregon and legislators in Rhode Island, who are promoting a bill that would create three nonprofit "compassion centers" to distribute pot according to the state's three-year-old program.

"[Obama] is really the linchpin in all of this," says Allen St. Pierre, executive director of the National Organization for the Reform of Marijuana Laws (NORML). The president's pledge to halt federal intrusion "would be giving a massive green light, telling states that want to move ahead in their own direction."

Advocates acknowledge that there has been a "graying of the law" in California, where nearly anyone who wants a doctor's recommendation for pot can get it. This goes to the heart of the opposition—that medical marijuana is a stalking horse for radical legalization. "The issue definitely turns on local values and mores," St. Pierre insists, with each state tailoring its laws to its population. Just

look at Colorado. It may have one of the most liberal medical-marijuana programs around, but it recently incentivized the National Guard to help enforce its drug laws. Hardly Haight-Ashbury.

Remaining medical-marijuana states include Montana, Alaska, Maine, Hawaii, Nevada, Vermont, and Washington. South Dakota is the only state to reject medical-marijuana legalization, having voted against it 2006. There are ongoing efforts for new laws in Massachusetts—which overwhelmingly passed a decriminalization measure on the ballot in November—New Hampshire, New York, New Jersey, Minnesota, Connecticut, and Missouri, where the hamlet of Cliff Village just joined the city of Columbia in passing a local marijuana policy.

Dan Viets, an attorney and activist behind multiple, but so far unsuccessful, attempts to pass a medical-marijuana bill in the Missouri General Assembly, calls Cliff Village, "a suburb of Joplin, not a town known for extreme notions or political action." But the mayor, Joe Blundell, was severely injured in a train wreck years back and smoked marijuana to ease his pain in lieu of legally prescribed painkillers such as morphine and Demerol. He told reporters that he passed the ordinance to advance the state bill protecting medical-marijuana users. "This is symbolism, pure and simple," Blundell explained. "I would like to be the brave one who grows the first plant, but they've built a lot of cages for the people who stick their necks out. Really, I just want to see a vote."

In 2007, Rasmussen polling found that 57 percent of Missourians support medical marijuana. Viets said that with the right resources, they could collect the necessary number of signatures to bypass the legislature and get directly on the ballot. "It wouldn't lose," he said.

Of course, Washington could do much to help spare the states the effort. California Rep. Dana Rohrabacher, one of the

most conservative Republicans on Capitol Hill, has been working with Reps. Maurice Hinchey (D-N.Y.), Barney Frank (D-Mass.), and Ron Paul (R-Texas) to get the federal government out of the business of regulating cannabis. In an interview with *TAC*, Rohrabacher said he is tired of Republicans who seem to have lost their moorings when it comes to states' rights. "I think [it] reflects a lack of depth on the part of many Republicans and the willingness to go along with stereotypes and gut reactions rather than looking at the issue philosophically, and perhaps more comprehensively," he said. He isn't alone. The late William F. Buckley Jr. suggested in 2004 that marijuana could be regulated much like tobacco and alcohol, but it would take a "genuine republican groundswell" to get anywhere.

"[Republicans] became fair-weather federalists," says Mike Krause, a former Coast Guard who worked on drug interdiction in the Caribbean, but now directs the Justice Policy Initiative at the libertarian Independence Institute in Colorado and opposes the War on Drugs. "States' rights are just fine until they want to pass something you don't like."

That's partly why the perennial Rohrabacher-Hinchey amendment to stop federal crackdowns on state medical-marijuana activities has been a flop. The limited federal power brief has brought around some conservatives who generally oppose marijuana use, like Colorado Rep. Tom Tancredo, but a few principled lawmakers don't make a groundswell.

No wonder that activists—even Rohrabacher—are impressed with Obama. The president didn't have to send a spokesman to clarify his position, but he did, and his dispensation, if real, can move mountains at the state level. "There is no political upside to this" for Obama, says Krause, "except a principled upside." ■

Kelley Beaucar Vlahos is a Washington, D.C.-based freelance reporter.

A Modern Burke

Lionel Trilling was also a liberal reformer of conservative temperament.

By Jeffrey Hart

IN THE FALL OF 1951, I began my senior year at Columbia University and signed up for Lionel Trilling's course in 19th-century English literature. It met on the fourth floor of Hamilton Hall, on the north side of Van Amringe quadrangle, the leafy and tranquil site of Columbia College, set off from the vast university to its north. Years earlier Whittaker Chambers, whom Trilling had known when they were undergraduates in the 1920s, had sat on a bench in that peaceful quadrangle and tried to decide whether he should join the Communist Party or commit suicide—a Dostoyevskian moment.

Most of the serious English majors took Trilling's 19th-century course. A friend in the class remarked that Trilling had the most intelligent face he had ever seen. He had dark circles under his eyes which seemed to suggest suffering, and his constant cigarette was evocative of a European intellectual. He wore expensive suits, not academic tweed jackets, and his urbanity placed him in the university but not really of it, a man of larger affairs, cosmopolitan, anything but a chalk-dust pedant.

A year earlier, Trilling had published *The Liberal Imagination*, which sold 70,000 copies in hardcover and made its author famous far beyond the university. The preface set forth Trilling's entire program, not only for that important book but for the rest of his career. He memorably wrote,

In the United States at this time liberalism is not only the dominant but even the sole intellectual tradition. For it is the plain fact that nowa-

days there are no conservative or reactionary ideas in general circulation. ... [T]he conservative impulse and the reactionary impulse do not, with some isolated and some ecclesiastical exceptions, express themselves in ideas but only in action or in irritable mental gestures which seek to resemble ideas.

By liberalism he meant the view that the right political reforms, economic system, education, and psychoanalysis if needed would lead toward human betterment and happiness. There would be diminishing racial prejudice, less resentment and snobbery, less tragedy, and maybe an end to war. These assumptions, even if not openly argued, nevertheless informed liberalism.

Yet there was a danger. With the force of government behind them, these ideas could lead to the "dictatorship of virtue," or Stalinism. In 1948, he had warned of "a cultural Stalinism, independent of any political belief," to which liberals of the Americans for Democratic Action variety were prone. Trilling himself had a brush with the hard Left a decade earlier, when Whittaker Chambers—then a courier for the Communists—asked Trilling's wife Diana to let him use their mailbox as a dead drop. This indicated how tolerant the Trillings must have been, or Chambers thought they were, to the radicalism of the 1930s. (Chambers appears in Trilling's 1947 novel, *The Middle of the Journey*, as a renegade ex-Communist named Gifford Maxim.)

Trilling considered Orwell's 1984 a momentous work, a vision of the logical

terminus of virtuous dictatorship at war with human nature, and in a sense *The Liberal Imagination* was also a Cold War book. Trilling assigned to literature a corrective role "because literature is the human activity that takes the fullest and most precise account of the variousness, possibility, complexity and difficulty" that characterize actual life.

In *The Liberal Imagination* he tried to construct out of literature a substitute for the absent conservative tradition. He opposed those liberal authors who, in his judgment, represented a reductive sense of actuality. These included Vernon Parrington, whose *Main Currents in American Thought* showed a preference for a crude conception of reality over the complex discriminations of mind. "He meets evidence of imagination and creativeness," Trilling wrote, "with a settled hostility the expression of which suggests that he regards them as the natural enemies of democracy." Theodore Dreiser, Trilling saw, had been admired by left populists because of, not in spite of, his simplifications and awkwardness, Sherwood Anderson for his sentimentality, and Alfred Kinsey for his reductive sense of sexuality.

To counter these terrible simplifiers, Trilling proposed a moral and literary tradition. After his criticisms of the reductionist liberals, Trilling turns to Freud as the hero of a tragic sense of life. Next comes Henry James and *The Princess Casamassima*, a celebration of civilization and its moral dilemmas. James is a ubiquitous presence in Trilling's prose, which has a mandarin quality, its syntax reflecting paradox, irony, and complica-

tion. Other writers who possessed the necessary feeling for the variousness, possibility, and difficulty of reality included the Mark Twain of *Huckleberry Finn*, Wordsworth in “The Immortality Ode,” and Scott Fitzgerald for a special kind of love expressed as “gentleness without softness.”

Trilling had written a notable biography of Matthew Arnold, and his enterprise in *The Liberal Imagination* clearly resembled that of Arnold in *Culture and Anarchy*. But Trilling rightly did not consider himself a literary critic. He was less comfortable with poetry than with the novel. The so-called New Critics of the time performed close analysis of a text. Such criticism aimed at understanding and enjoying a poem aesthetically, like Keats contemplating that Grecian urn. Trilling wanted to use literature actively, not contemplatively, as a force for shaping the individual.

I have often wondered why Trilling did not employ Edmund Burke as an exponent of the conservative tradition, which he said did not exist in America. It cannot be because Burke was writing about England and the French Revolution. After all, Wordsworth had engaged both, celebrating the revolution and then reacting against it, and for Trilling Wordsworth was exemplary and available. Burke was one of Wordsworth’s heroes. In *The Prelude* the poet wrote:

Genius of Burke! Forgive the pen
seduced
By specious wonders . . .
While he forewarns, denounces,
launches forth,
Against all systems built on
abstract rights,
Keen ridicule; the majesty proclaims
Of Institutes and Laws, hallowed
by time;
Declares the vital power of social ties
Endeared by Custom . . .
(Book VII 1850, 512-53)

Trilling must also have been aware of the celebration of Burke in Arnold’s famous essay “The Function of Criticism at the Present Time.” There the critic quoted the passage from “Thoughts on French Affairs” in which Burke recognizes the momentum that can build up for social change:

If a great change is to be made in human affairs, the minds of men will be fitted to it; the general opinions and feelings will draw that way. Every fear, every hope will forward it; and then they who persist in opposing this mighty current in human affairs will appear rather to resist the desires of Providence itself, than the mere designs of men. They will not be resolute and firm, but perverse and obstinate.

“That return of Burke upon himself has always seemed to me one of the finest things in English literature,” Arnold wrote. “That is what I call living by ideas; when one side of a question has long had your earnest support, when all your feelings are engaged. . . I know nothing more striking, and I must add nothing more un-English.” Trilling certainly had the sanction of Arnold if he had wanted to see Burke as exemplary. Yet he did not.

My own understanding of the permanent usefulness of Burke came a few years later in the seminar Trilling and Jacques Barzun taught for selected graduate students. Admission was through a personal interview, which took place in Trilling’s Hamilton Hall office. In her memoir, *The Beginning of the Journey*, Diana Trilling recalls:

The standard of admission was high. For many years Lionel and Jacques Barzun would teach it together. A list of their students is a *Who’s Who* of the gifted undergraduate of the thirties, forties and early fifties; it includes Fritz Stern, John

Hollander, Louis Simpson, Quentin Anderson, John Berryman, Theodore de Bary, Jeffrey Hart, Donald Keene, Charles Frankel; also Michael Sovern, who later became president of Columbia.

Hmmm. I must have done something wrong.

The seminar met once a week in the evening, and we discussed a series of books fundamental to modern culture, including Burke’s *Reflections on the Revolution in France*. Barzun and Trilling had contrasting approaches to discussion. Trilling tended to begin by seeing complexities. To the comments we offered, he would reply in effect, “It’s more complicated . . .” Barzun, on the other hand, tried to cut directly to the core insight.

Trilling seemed apprehensive about the advent of the 1960s. When I told him that I had voted for Kennedy, who in fact had run to the right of Nixon on foreign policy—which was what the election was about—Trilling said, as we chatted on the steps of Hamilton Hall, “This country is going to go so far to the left you won’t recognize it.” I didn’t know what he was talking about. The Beatles? Kennedy’s New Frontier, the “best and brightest,” seemed anything but counterculture. Youth! Vigor! Touch football at Hyannis Port! Robert McNamara, McGeorge Bundy, Douglas Dillon, Dean Rusk—hippies? Come on.

But had Trilling with his alert antennae sensed something I had missed? I should have paid more attention to his preface to *The Opposing Self* (1955) in which he wrote, “virtually every writer of the modern period conceives . . . the experience of art projected into the actuality and totality of life as the ideal form of the moral life.” Accordingly, the artist’s “existence is intended to disturb us and make us dissatisfied with our habitual life in culture, whose nature his

existence defines.” Yes. But if the “art” is rock and roll rather than Bach, this makes a difference.

I saw for myself. In 1968, William F. Buckley Jr. persuaded Governor Reagan, who was quietly running for the Republican nomination, that he needed me for a speechwriter. He did not. But I was able to help him with a speech on education and worked on some promotional material. In March, when I went to Sacramento, I found that half the young men seemed to look like Charlie Manson, and you could get high just walking down Telegraph Avenue near the Berkeley campus. Posters of Mao and Che Guevara glared from store windows. Berkeley had seen the first of many student uprisings, led by the demagogic Mark Rudd. Reagan wanted to get rid of its chancellor, Clark Kerr, whom he blamed for permissiveness.

The Black Panthers threatened a bloodbath in Oakland. At a press conference in the state capitol, Reagan replied, “If they want a bloodbath they can have a bloodbath.” And things got worse. Martin Luther King was assassinated in April. LBJ went on TV to announce that he would not run for re-election, and after winning the California primary over Gene McCarthy, Bobby Kennedy was assassinated in August. America seemed to have become a banana republic, a shooting gallery.

The 1968 student uprising at Columbia shook Trilling profoundly—obscenities scrawled on his office door, buildings occupied, student-police violence. All this—and the national counterculture—pushed him to the right. The Id had taken over from the Superego and was running down the streets. The Baby Boom generation was reaching 18 in 1968 and amounted to almost half the population. It had its own music, dance, clothes, hair, and marijuana sacrament. During the 1950s we wanted to be adults. They ran the world. During the

1960s adults wanted to be kids. Even Trilling grew sideburns.

In 1971, with *Sincerity and Authenticity*, he addressed the new cultural situation. Sincerity required that we act and really be as we present ourselves to others, reflecting “our station and its duties,” in the old phrase. By contrast, authenticity, admired by Rousseau, demands finding and expressing the true inner self, emotional and instinctual, and judging relationships accordingly. Sincerity affirms society. Authenticity opposes it as superficial and hypocritical. *Sincerity and Authenticity* continued and concentrated the cultural analysis of *The Opposing Self*.

These works suggest some of the affinities between Trilling and Burke. The Englishman’s criticism of the abstract ideas and unjustified hopes of the French revolutionaries had much in common with Trilling’s criticism of the liberalism of his day. Yet both were critics and reformers, not reactionaries, and earned the enmity of former friends who thought they had betrayed the sacred cause of progress. In a *Partisan Review* article, Delmore Schwartz attacked Trilling from the left, assailing his essay “Manners, Morals and the Novel” (in *The Liberal Imagination*) for its high valuation of social class and manners as subjects for literature—“pitying the plumage,” as an earlier writer had said of Burke. In 1956, Joseph Frank, another critic from the Left, complained that Trilling “now feels that his urgent task is not to defend freedom but the virtues of acknowledging necessity.” Frank added, “From a critic of the liberal imagination ... Mr. Trilling evolved into one of the least belligerent and most persuasive spokesmen of the conservative imagination.”

Trilling would have rejected that. He thought of himself as a man of the Left but also a liberal realist—though he resisted being categorized in any way. Anti-Stalinism had been his last unam-

biguous political cause.

Burke was also a complex, unclassifiable figure. It should be remembered that he was a Rockingham Whig—Trilling liked to describe him as a man of conservative tendency in a Whig party of liberal tendency—whose *On Conciliation With the Colonies* argued realistically for giving the Americans everything they demanded except independence. He was no authoritarian. In Parliament Burke thundered for the impeachment of Warren Hastings for offenses committed in India. Most of his colleagues thought Burke’s ethical fervor a nuisance and a distraction. When he denounced the use of American Indians against the colonial army, Lord North laughed out loud. The economic reformer Adam Smith, on the other hand, said Burke understood his thinking better than any man in England.

In my judgment, Trilling could have used Burke and should have. But most New York intellectuals probably saw Burke as an icon of conservatism, not a complex political philosopher who understood social change, and for Trilling to have drawn from Burke might have been the last straw for many of his old friends, former Marxists and radical modernists in culture.

Things were already getting difficult for Trilling within the English Department well before 1968. One evening in 1962, I and a few others met for cocktails and dinner at Trilling’s apartment on Claremont Avenue. The occasion got ugly. Richard Chase, a professor in the department, had too much to drink and began abusing Trilling as “the conscience of the bourgeoisie,” and the critic from “the bowels of Howells”—Trilling had been writing favorably about William Dean Howells. Chase tried to pick a fight with me, too. Just a nice academic evening. As an undergraduate I

Continued on page 34

Arts & Letters

FILM

[Milk]

The Martyr of Castro Street

By Steve Sailer

LAST NOVEMBER, Barack Obama's name on the ballot brought to the California polls unusually large numbers of fans of Tyler Perry's "Madea" movies, who stuck around to vote against gay marriage. Shocked, California's liberals quickly settled upon more suitable villains to blame: Mormons! The small, besieged community of Hollywood bravely resolved to speak truth to Mormon media power by giving the Best Actor Oscar to Sean Penn in "Milk."

The Academy even handed "Milk" the Best Original Screenplay award, although some of the drab script is lifted from "The Times of Harvey Milk," which the Academy honored as Best Documentary back in 1984.

"Milk" is a repetitious biopic about the 1970s political career of the self-proclaimed "Mayor of Castro Street" as Harvey Milk grinds through five election campaigns on his way to becoming "America's first openly gay elected official." Director Gus Van Sant manages to make even San Francisco look unattractive in his haste to get back to the gerrymandering at Milk's camera shop.

By the way, what kind of camera store is used as a political clubhouse? Camera shops are normally the worst meeting halls imaginable because

they're crammed with fragile and expensive merchandise. Yet Milk's Castro Camera is depicted as a shell with little inventory other than orange Kodak film boxes. (My guess: it was mostly a drop-off for amateur photographers who wanted their gay porn pictures developed discreetly—an easy little business that left Milk with plenty of time for politics.)

A great tragic story could be made about how Milk's gay liberation movement unleashed its own nemesis. Within two decades of Milk's arrival, gay rights had transformed Castro Street into the plague spot of the Western world, with AIDS killing its 10,000th San Franciscan in 1993.

Mentioning a little thing like how industrial-scale promiscuity set off the worst American health catastrophe of the last generation wouldn't be On Message, however, and "Milk" sticks to its political talking points with the same tenacity its namesake did. The bathhouses where the disease was spread aren't shown. The movie is so politically prim that there's only a single minute on the entire soundtrack of 1970s disco music.

Left out is almost everything that could add context and flavor, such as Milk's alliance with Jim Jones's Maoist Peoples Temple cult. Just ten days before Milk and Mayor George Moscone were murdered by working-class politician Dan White, 907 ex-San Franciscans drank the Kool-Aid in Jonestown.

The acclaim that has greeted Penn's supposedly precise impersonation of Milk is ironic because the 1984 documentary is readily viewable on YouTube, conveniently demonstrating how differently Milk and Penn read the same lines.

At least on TV, the suave candidate displayed only a hint of his native Long

Island accent, while Penn plays him as an annoying noodle. And oddly enough, the real Milk was better looking than the movie star. Penn, who in the 1980s would add slabs of muscle for roles as rapidly as Mickey Rourke did for "The Wrestler," is now, at only 48, as wrinkled as a Shar Pei puppy.

Most strikingly, if "Milk's" screenplay weren't so relentlessly hagiographic, Sean Penn would be on the hot seat over his stereotypical caricaturing of a homosexual. Penn's performance is so flamingly effeminate that you have to wonder whether he got Castro Street's Harvey Milk confused with Broadway's Harvey Fierstein.

During television appearances, Milk came across as a calm, moderately masculine presence, with only slight gay mannerisms. In contrast, Penn's histrionic act sets your gaydar clanging like the meltdown siren at a nuclear power plant. That's important because Penn's decision to play Milk as utterly unable to pass for straight robs Milk's story of much of its interest. The real man, who had served without incident as a Naval officer, *chose* to come out of the closet.

Perhaps Milk was as histrionic in private as Penn portrays him as being in public. I don't know. If so, shouldn't there be some mention in the script that his public persona was a facade? Watching Milk wrestle with his conscience over whether to drop his on-camera butch act might at least have provided the film with some hint of self-conflict. As it is, when Josh Brolin (who is outstanding, as usual) eventually appears as the financially and mentally shaky White, it's a relief to see finally a three-dimensional character. ■

Rated R for language, some sexual content and brief violence.

BOOKS

[*Freedom's Battle: The Origins of Humanitarian Intervention*, Gary J. Bass, Knopf, 509 pages]

Killing With Kindness

By David Bromwich

THE CLINTON administration believed in the good of humanitarian intervention, and the Kosovo War aimed to set a pattern for such efforts. The 11 weeks of bombing and the 12,000 killed on the ground seemed to its architects a fair price for so clear a demonstration of enlightened resolve. That false rumors of massacre were used to incite the war, that the ethnic killings turned out to be mainly a consequence and not a cause of the bombing—these were seen as side-effects of a humane exuberance.

By contrast, the Bush administration chose to revert from cold war to war, and defined its enemy by analogy with metaphysical evil. The “war on terror” was a rubric that could support many tributary wars with a minimum of definitional fuss.

Let us say that the neoliberal wants humanitarian interventions that may uneasily shade into wars, while the neo-conservative wants wars that sooner or later find a justification to satisfy humanitarian goals. How great is the difference? Our rival schools of empire have in common their commitment to preserve a standing military establishment that every year spends almost as much as the rest of the world combined, and they agree that violence is permissible against other countries in a cause unconnected with national self-preservation. The bare appeal to self-preservation is more often made by the neo-conservatives, but this appeal goes along lines where hyperbolic fear becomes indistinguishable from fantasy. As late

as 2007, Vice President Cheney warned that any withdrawal of troops in the Middle East would plant the green crescent flag inside the White House.

Gary Bass has written *Freedom's Battle* to defend the idealism of humanitarian wars. But rather than speak directly of Kosovo, for example, Bass has gone back to three 19th-century interventions by Great Powers, and one failure of humane intervention in the early 20th century. The episodic narrative is framed by the opening 40 pages and the final 50 pages, which argue that there is such a thing as a good and generous intervention: a military action by a great against a lesser power that is neither brutal nor selfish and that promotes the good of humanity.

Inside that frame are Bass's four case studies. He starts with the defense of Greek independence by the London Greek Committee and other philhellenic persons and groups in the early 1820s that reached its climax in the British destruction of the Ottoman fleet in Navarino Bay in 1827. A more acute provocation drove Napoleon III in 1860 to stop the Druze massacres of Maronite Christians in Syria. In a parallel episode, British popular opinion was rallied by Gladstone in 1876 to combat the “Bulgarian Horrors,” massacres that sprang from the Serbian wing of pan-Slavism. Gladstone, in the process, advanced the broader cause of liberal internationalism against the conservative realism of Disraeli and incidentally “faced down” the Russians in Constantinople. Finally, Bass recounts the Turkish slaughter of Armenians in the First World War, when Theodore Roosevelt, out of office and a decade away from his advocacy of war on the Philippines, wrote eloquently to rouse an intervention President Wilson would not perform.

Bass is a journalist turned academic, with a fast and readable style that tends toward glibness. He makes Byron the hero of his opening section on the Greek-Ottoman war and comes around to Byron again at the end—not failing to note that he died in Missolonghi a casualty of fever not battle. The later sec-

tions of the book are similarly lent a high gloss by personalities—most of all by the contest of Disraeli the passive realist with Gladstone the active humanitarian (whose Balkan policy would become a model for Tony Blair). In the Armenian case, Roosevelt emerges as the hero and Wilson as the prudential leader whose subsequent internationalism seems a kind of expiation. It is perhaps a coincidence of Bass's plotting that the antagonists in three of his four chosen interventions are Ottoman Turks.

Bass writes with judicious irony about the “complications” of these episodes, but it is fair to say that he takes a romantic view. Practically speaking, he wrote this book to overcome our prejudice against the use of force where self-preservation is not at stake. He knows that the prejudice comes partly from common prudence and partly from revulsion against the war in Iraq—a war Bass thinks could have turned out well had it been fought in 1988. (A sure test of the interventionist instinct is the belief that Iraq should have worked out better: the fault is said to lie in tactics or timing or leadership.) More particularly, the function of *Freedom's Battle* is to supply the Kosovo War with an honorable pedigree. Bass thinks it fitting that great-souled men of the advanced nations should seek to act on behalf of oppressed peoples.

In all the stories he recounts, selfish motives preceded intervention, and unintended consequences followed the violence of the war. French support for Maronite Christians in the forming of modern Lebanon is only the most obvious instance. Often, too, unselfish motives were mixed with selfish or ordinary motives in a way that Bass, though he does not suppress, consistently pushes to the side. Thus *Freedom's Battle* tells of the attack in October 1827 by the “Allied squadron”—the British navy under Admiral Codrington accompanied by a few Russian and French ships—on Ottoman and Egyptian forces massed in Navarino Bay. The Allies did not lose a ship, while every Ottoman and Egyptian ship was “either burned, sunk, or driven

on shore [and] totally annihilated" (in the words of Codrington as quoted by Bass). The Allies lost 174 sailors, the Ottoman forces 6,000. Bass writes, "The battle of Navarino spelled Greek independence." Compare Élie Halévy in the second volume of his *History of the English People in the Nineteenth Century*, who remarks that "at first sight the student might be tempted to regard" Navarino as "the crowning victory of that policy of national liberation to which Canning had willingly seen his name attached." Yet the battle in reality, says Halévy, was "a defeat of the policy which Canning had secretly pursued—the policy of the Balance of Power—for it provoked the Russian war which, ever since 1822, he had endeavoured to prevent by every means at his disposal."

IT IS POSSIBLE FOR **SELFLESS VINDICATORS OF THE RIGHTS OF THE OPPRESSED**
TO BECOME **BRUTAL OVERSEERS** WHO HAPPEN TO **SPEAK THE LANGUAGE OF**
NATURAL RIGHTS.

Passing, then, from interested journalism to serious history, we find that in the wake of the good war lay a war less good and less desired. This is a fact about humanitarian interventions generally. Party advantage enters the calculations in a democratic system; charismatic aggrandizement may play a part elsewhere; "a successful humanitarian mission in Syria," Bass concedes, was a "welcome opportunity" for Napoleon III and a decision that "suited French imperial interests." Why reserve this sort of detail for subordinate clauses and parenthetical sentences?

Gladstone, who denounced in writing and campaigned against the "Bulgarian Horrors," felt chagrin that the Russians came first to liberate the Balkans from the Ottoman yoke. Here is another clue that Bass does not follow but might have. Competitive humanitarianism may simply augment the ordinary rivalry of great powers. Gladstone, too, was keen to outbid Disraeli for the honor of inheriting the mantle of Lord Byron. It is hard to know quite what to make of

such a motive. It may be more high-minded but is scarcely more moral than the realism of Metternich. Yet Bass makes much of the Byronic succession: he enjoys the surface poetry of politics, as he enjoys the occasional politics of poetry. His own prose ought to have concerned itself more with surface. He speaks of "vociferous voices," and people who are "vocally shocked." We catch a glimpse of Byron before his conversion to politics, "mooning about in Italy." Disraeli is described as "Byron's fan" and a "flashy imperialist," and Gladstone as "a very weird man."

Freedom's Battle aims to contribute to a tendency more than to impress by the close articulations of an argument. Central to that tendency is the need to sustain the distinction between good

"hegemonic" influence and bad "imperialist" domination. Yet where, in both cases, it is violent force that is justified, one's view of the distinction will depend on the nature of one's sympathy and not on a weighing of the facts. Does a democracy that kills more than a million in its mission to crush an internationally nonthreatening tyranny deserve more admiration than, say, a dictatorship that kills 10,000 and imprisons political enemies to evict the foreign investors that have subsidized a guerrilla opposition? Does the greater become the lesser crime when the criminal is a democracy? This is a question Bass does not bring himself to ask, but it lies at the heart of the doubts that entangle his subject. And it seems closely linked to the more compelling question: is a military state compatible with justice?

The big democracies, which Bass looks on as natural bringers of political justice to victim countries, must, in order to perform such services, first have been thoroughly militarized. On Bass's view, it is their duty to stay militarized until they

have made the world a place where democratic justice is at home. Yet the most candid sentence in his book strikes an oddly discordant note: "the strength of democracies today has made the violation of weaker dictatorships an opportunity too great to resist."

This book jauntily and entertainingly asks us to yield to the temptation. What it does not consider is the cost to the morale of democracy of giving in to the temptation repeatedly. It is possible for selfless vindicators of the rights of the oppressed to become brutal overseers who happen to speak the language of natural rights.

In a characteristic touch, Bass tells us that the "scariest" risk of humanitarian intervention is not the mass destruction of civilian lives but rather, "that two great powers will clash." Maybe he has not come such a long way from Metternich after all. A peculiarity of *Freedom's Battle*, indeed, is that it scatters, among its facts and fancies, so rational a quantum of realistic knowledge and psychological insight (though the latter is too sparingly used). Bass knows that the form of intervention he desires can only stay free of the imperialist poison if placed in the hands of an international body. Yet he does not propose reliance on an existing body or the devising of a new one. Rather he worries that "multilateralism can be paralyzing." Fast, clean results are what he wants—a very American point of view. Or as he says, in a more judicial tone: "The challenge is finding the right middle ground: a mission big and lengthy enough to be effective, but small and swift enough not to be mistaken for imperialism."

Gary Bass means well. He is young and eager for a fight, provided it is a good fight. But to justify the violence of the state in any cause besides self-preservation is an intricate and troubling enterprise. He has not thought it through. ■

David Bromwich is the editor of a selection of Edmund Burke's speeches and letters, On Empire, Liberty, and Reform (Yale University Press).

[Benjamin Disraeli, Adam Kirsch, Schocken, 288 pages]

The Elusive Englishman

By Jacob Heilbrunn

JEWISH CHARACTERS have often had a difficult time of it in English novels. The most notorious instance is probably Fagin, whom Dickens later publicly regretted having created. Trollope made something of a specialty out of painting Jews in an unflattering light: in *The Prime Minister*, Felix Lopez, a Portuguese foreigner, is an avaricious speculator who spurns the old-fashioned English habit of making money slowly and carefully, thereby ensuring his own demise. In *Brideshead Revisited*, Evelyn Waugh depicts the esurient Anthony Blanche, modeled on Harold Acton and Brian Howard, as a mysterious creature, who, we are informed, carries with him the burden of the Wandering Jew. More tersely, Kingsley Amis dispatches young Irving Macher as a “Hebrew jackanapes” in *One Fat Englishman*.

If the Jew as outsider has a long pedigree, there also exists a compensatory tradition. In *Daniel Deronda*, George Eliot sketched out the case for a Zionist homeland. Her Jewish characters are so noble that Lionel Trilling felt they risked becoming exemplary Jews. Perhaps the most peculiar and portentous novels featuring a Jewish hero, however, were written by England’s future prime minister Benjamin Disraeli.

Adam Kirsch takes a fresh look at the man who successfully penetrated one of the most hidebound, aristocratic societies in Europe. Kirsch sets Disraeli firmly in the context of his Jewish heritage. How Disraeli would have felt about being posthumously reconverted is an interesting question, but Kirsch makes a compelling and discerning case that Disraeli, far more than most historians have acknowledged, was profoundly shaped by his ancestry. Indeed, Kirsch notes that

Disraeli tried to turn the table on his adversaries. He did not attempt to disguise his Jewish background. He embellished it.

It was a shrewd move. Disraeli could never have escaped his ancestry, even if he had wanted to. Thomas Carlyle called him a “superlative Hebrew conjuror.” Others called him, in parliament, a “Jew adventurer.” When he stood on the electoral stump, troublemakers would try to disrupt his speeches by shouting, “Shylock!” Daniel O’Connell trumped them all in the oburgation department by likening him to “the impenitent thief on the Cross, and I verily believe, if Mr. Disraeli’s family herald were to be examined and his genealogy traced, the same personage would be discovered to be the heir at law of the exalted individual to whom I allude.”

To combat such slurs, Disraeli developed, in a succession of novels minutely scrutinized by Kirsch, a racial theory of Jewish aristocratic pride, not totally dissimilar, if you think about it, to the invention of Black Athena by Martin Bernal and other votaries of a black history that alleges Greek civilization was an African knock-off.

In Disraeli’s suppositious personal history, he made out that his family could trace its origins back to the ancient world. The Disraelis, he said, belonged to a race of Iberian Jewish squires more distinguished, because older, even than the Norman barons. They had their own family crest. They were, in short, nobility. So was Disraeli. This meant that he, no less than the English grandees, was fit to exercise power in England. Racial pride, however, did not mean that he was precluded from accepting Christianity as his faith. Quite the contrary. Disraeli declared, “I look upon the Church as the only Jewish institution that remains, and, irrespective of its being the depository of divine truth, must ever cling to it as the visible means which embalms the race.” All of this was essential in constructing the foundation of his success, for Disraeli had, as Kirsch observes, a number of other handicaps.

There was his education, for one. He went to a school for commoners called Higham Hall, where he received middling, not exceptional, tuition. Kirsch observes, “as an adult, he was touchy about his limited knowledge of Greek, that badge of a gentleman’s education.” Nor did he attend Oxford or Cambridge. The greasy pole could not have looked greasier to Disraeli. After all, Gladstone, his great rival, attended Eton, Christ Church, and entered Parliament in 1832. He was 22 years old. Disraeli, by contrast, spent several years articulated to a law firm, where he trained to become an attorney.

Disraeli was, however, irrepressible. As a socially ambitious Jew, he recognized that it was better to be in debt, like many aristocrats, than to be modest and frugal. He became a preening young swell—a contemporary described him as “very showily attired in a dark bottle-green frock-coat, the front of which was almost covered with glittering chains, and in fancy-pattern pantaloons.” At the same time, Disraeli conducted a series of affairs with older, wealthy women who might help his career and who provided the essential matronly reassurance that he solicited all his life. As Kirsch astutely notes, he later recapitulated these earlier experiences with Queen Victoria, seasoning his daily correspondence to her with equal amounts of shameless flattery and keen observations about political events.

But all that lay in the future. Disraeli’s first bid for fame wasn’t as a politician but as a novelist. *Vivian Grey* was a sensation as soon as it appeared in the spring of 1826. Vivian, who will sacrifice anything to make his mark, hires out his talents to the aristocracy. The plot adumbrated Disraeli’s own career, selling out his intelligence to what John Stuart Mill called “the stupid party.” But Disraeli would have it no other way. According to Kirsch, “His lifestyle, his novels, his politics, and his thinking about Judaism can all be understood as gambits to convince the world, and himself, that the aristocracy was where he belonged.” Yet it never took completely.

Kirsch again: "This is the tragic element in Disraeli's career: even at the height of his power, even among his closest allies, he remained an outsider. And it was his Jewishness, that irreducible otherness, that made it impossible for him to close the gap."

On the theory that creating a narrative of Jewish power would make him seem indispensable, Disraeli produced a stream of novels expanding on the idea of the Jews as the chosen people. In *Alroy*, he mooted the possibility of a Jewish national homeland, only to put aside such dreams. He realized that becoming the next Messiah was incompatible with becoming prime minister.

Disraeli really only hit his stride as a novelist, though, with *Coningsby*, *Sybil*, and *Tancred*. In this "Young England" trilogy, he outlined his agenda of radical change to be effected conservatively, a political program that permitted him to reinvent himself as the representative not only of the wealthy and the working class but of the Tory Party, too. Disraeli's target was the Tory leader Robert Peel, whom he depicted as feckless trimmer,

a Tory in name only who espoused Whiggish principles. This was a canard. Peel was a boulder in Disraeli's path and had to be dislodged. After Peel—sensibly—reversed field on the Corn Law duties, Disraeli went on the attack. Peel, he said, was "a burglar of others' intellect" and guilty of "petty political larceny." Peel resigned. Lord Ponsonby wrote to Disraeli that he had "crucified" Peel.

The Jewish charge, then, never stopped hovering over Disraeli. Kirsch believes that he inadvertently helped give it renewed life with his character Sidonia, an all-powerful Jew who works behind the scenes in finance and politics. According to Kirsch, "after a century and a half of Jewish history that Disraeli could never have foreseen, Sidonia looks like nothing so much as an anti-Semitic hate figure. It is amazing, in fact, how Disraeli manages to combine in this one character every malicious slander and paranoid fear that the anti-Semitic imagination can breed."

This is well put. But is it really true that Disraeli was defined by his Jewishness to the extent that Kirsch suggests? Two objections raise themselves. First, Disraeli did enjoy close relations with Queen Victoria. In this instance, he did succeed in closing the gap, though his intimate ties with her further aroused the exasperation of his enemies, who continued to view him as a conniving Jew who had suborned the Queen herself. Indeed, the most common accusation was that Disraeli was, at bottom, not a true Englishman. Rather, he was a foreigner, plotting to entangle England in wars that were antithetical to national interests—the very charge that today is lodged against the neoconservatives.

The true problem with Kirsch's thesis is Disraeli himself. As Kirsch reminds us, Disraeli had an elastic sense of the politically possible. Expediency was his great credo. He was, you might say, the great communicator of the 19th century, capable of holding the House of Commons spellbound for hours. But given his dexterity, how deeply held were any of his beliefs? Was he really, at bottom,

deeply influenced by his ancestry, or was it simply part of the charade?

There is no way that Kirsch can provide a definitive answer. But he displays a very deft touch indeed in exploring Disraeli's psychology and the tenacity with which he tried to convert—the word is not too strong—himself into an Englishman. Disraeli's desire to become a part of the aristocracy was so powerful that he attempted, as far as possible, to impersonate a country gentleman. He dressed in a velveteen coat, leather leggings, soft felt hat, and carried a little hatchet on his Hughenden estate. Nothing delighted him more than when a neighbor asked him for a favor: "For the Tyrwhitt Drakes to ask a service from me is the Hapsburgs soliciting something from a parvenu Napoleon. After thirty years of scorn and sullenness they have melted before time and events."

Kirsch also demonstrates that Disraeli did not seek to further Jewish interests abroad. Quite the contrary. He espoused *realpolitik*. Kirsch writes that he "instinctively favored established, multinational empires over national liberation movements." The Turkish massacre of the Bulgarians left him unmoved. He threatened Russia with war over the Dardanelles before engineering a diplomatic triumph at the Congress of Berlin in 1876. In Kirsch's view, he was a precursor to Winston Churchill.

That may be overblown. Disraeli's greatest triumph was as a domestic political operator, while Churchill's was abroad. Disraeli created a modern, meliorative conservatism, while Churchill was booted out of office as a reactionary after the Second World War. But as conservatives in England and America scramble for a formula for political success, Disraeli has come back into vogue. Perhaps Disraeli was something of a charlatan, but his wizardry remains enchanting. ■

Jacob Heilbrunn, whose book They Knew They Were Right: The Rise of The Neocons has recently appeared in paperback, is a senior editor at The National Interest.

MOVING?

Changing your address?

Simply go to **The American Conservative** website, www.amconmag.com

Click "subscribe" and then click "address change."

To access your account make sure you have your TAC mailing label. You may also subscribe or renew online.

If you prefer to mail your address change send your TAC label with your new address to:

The American Conservative
Subscription Department
P.O. Box 9030
Maple Shade, NJ 08052-9030

[*Lords of Finance: The Bankers Who Broke the World*, Liaquat Ahamed, Penguin, 576 pages]

Central Tanking

By Philip Delves Broughton

PUBLISHED IN ALMOST in any other year, in any other season, Liaquat Ahamed's *Lords of Finance* might have slid noiselessly and worthily onto library shelves. Five hundred pages of economic history, however enlivened by the author's knack for describing people and events, are still 500 pages of economic history for which you need an unusual appetite for descriptions of the gold standard and the minutiae of central banking.

Fortunately for Ahamed, and unfortunately for us, this is not any other year or season, but one carrying strong echoes of the 1920s and 1930s, the period of economic turmoil described in his book. A massive contraction of credit? Check. A plummeting stock market? Check. Investor fear? A flailing government? Rising unemployment stoking fears of social unrest around the world? Check, check, and check again.

If you would rather wallow in this misery instead of, say, turning off CNBC and doing some mind-clearing yardwork, Ahamed provides plenty of reasons to lock yourself in the liquor cabinet for the next five years or so.

The main theme of his book is the hopelessness of man in the face of economic adversity. We may think we have a dependable science called economics and practitioners called economists and financiers to implement it, but what we really have are societies, markets, and obdurate personalities who fail to yield to reason.

Ahamed hitches his story around four men who ran the central banks of the United States, Britain, France, and Germany in the wake of World War I: the arrogant but sickly Benjamin Strong at the Federal Reserve; the charming and

neurotic Montagu Norman at the Bank of England; the bitter, provincial Emile Moreau in Paris; and the haughty, brilliant Hjalmar Schacht in Berlin.

The idea of setting the book up like this, Ahamed explains, came to him in 1999 when he saw a cover of *Time* magazine depicting Alan Greenspan, then chairman of the Fed; Robert Rubin, then Treasury secretary; and Larry Summers, then Rubin's deputy. The headline read: "The Committee to Save the World."

In retrospect, the problems faced by Greenspan, Rubin, and Summers look like pretty small potatoes: the \$50 billion bailout of Mexico; the collapse of Long Term Capital Management; the run on emerging market economies in 1997-98. But the three men did act with enough speed, brio, and dollars to leave the impression that central bankers actually matter.

Their actions also created a template for the kind of monstrous interventions we have seen over the past six months, as the government and Federal Reserve under successive administrations have lurched in and out of the unspooling financial crisis to indeterminate effect. The argument that the markets might self-correct is all but inaudible. The only debate we now hear about government intervention is about how much and how fast—rarely should we or shouldn't we.

The events described by Ahamed, however, offer potent lessons in futility. Clever men with the best intentions faced a financial collapse on this scale before and they failed to stop it from descending into World War II. The fog of economic chaos, like that of war, leads to masses of unintended consequences and befuddles even the greatest minds.

The defining event of Ahamed's book is the Paris Peace Conference following World War I, when the Allies imposed unsupportable reparations on Germany—\$2.4 trillion in today's money. Part of it was punitive and vindictive, but Britain and France also needed to repay the loans, largely from the United States, which they had taken out to fund the war. Hagglng over this loan repayment chain, from Germany to France and Britain to

the United States, consumed the energy and finances of these countries until once again they collapsed into war.

One of the well-known consequences of the reparations burden was the hyperinflation that afflicted Weimar Germany. The need to calculate and recalculate prices in billions and trillions caused many Germans to suffer from a malady called "cipher stroke," described at the time as "a desire to write endless rows of ciphers and engage in computations more involved than the most difficult problems in logarithms." Otherwise normal sufferers would claim to be 10 billion years old or to have 40 trillion children.

The loan burden also inspired an intense hatred among Europeans toward Americans, particularly those who flooded over to Europe to take advantage of the beaten-down currencies. The *New York Times*' reporter in Paris in the late 1920s reported that "ninety out of a hundred regard Uncle Sam as heartless, as selfish, as grasping."

For the central bankers trying to manage this volatile situation, there was a familiar and difficult choice between the flexibility of a floating currency and the stability of one fixed to gold. In one of the many excellent set-pieces throughout the book, Ahamed describes the debate in 1925 between Montagu Norman, who favored Britain's return to the gold standard, and John Maynard Keynes, who opposed it, for the mind of Winston Churchill, then Chancellor of the Exchequer. Keynes believed the gold standard was a pre-war relic. During the course of the war, gold reserves had moved decisively to America, so in order to adhere to the standard, Britain would be at the mercy of American interests. He could not fathom why "we should run the risk of having to curtail ... credit to our industries merely because an investment boom in Wall Street had gone too far, or because of a sudden change in fashion amongst Americans towards foreign bond issues, or because banks in the Middle West had got tied up with their farmers or because of the horrid fact that every American had ten motor-cars and a wireless set in every room."

Norman, by contrast, believed that returning to the gold standard would be symbolic of Britain's postwar resurgence and credit-worthiness. Churchill, who feigned ignorance in economic matters, despaired of Norman's political insensitivity, writing, "The Governor of the Bank of England shows himself perfectly happy with the spectacle of Britain possessing the finest credit in the world simultaneously with a million and a quarter unemployed."

Eventually, however, Churchill decided to follow the route proposed by Norman, with terrible deflationary consequences. Churchill quickly came to regret the decision, later calling it the "biggest blunder in his life," and to agree with Keynes, who wrote of the attachment to gold, "like other orthodoxies it stands for what is jejune and intellectually sterile; and since it has prejudice on its side, it can use clap-trap with impunity."

Norman had been warned by Benjamin Strong at the Federal Reserve that by tying its currency to that of the U.S., Britain would be hostage to America's domestic economy. If it slumped "domestic considerations would likely outweigh foreign sympathies." Four years later, when Wall Street crashed, the last thing the U.S. worried about was the countries foolish enough to have pegged their currencies to gold and thus the dollar.

In France, the challenge of paying off war loans provoked years of political instability despite a tradition of fiscal conservatism. By 1926, the government had lost its grip on the franc. Domestic and foreign investors kept shorting the currency, creating an "all-embracing miasma of gloom." What changed the currency's course, however, was not the floundering efforts of central bankers, but the return of Raymond Poincaré to the prime minister's office. His reassuring presence alone seemed to bring the investors back and reverse the crisis. Poincaré and his finance minister, Émile Moreau, then had to decide where and how they should try to peg the franc. A stronger currency meant more expensive government debt and more pain for taxpayers, but greater income for the *rentier*.

It was Keynes once again who could explain the challenge most clearly: "The level of the franc is going to be settled, not by speculation or the balance of trade, or even the outcome of the Ruhr adventure, but by the proportion of his earned income which the French taxpayer will permit to be taken from him to pay the claims of the French rentier."

Managing the sacrifices demanded of different social classes in hard financial times, as President Obama and others are discovering, is a far greater challenge than simply getting the numbers to line up.

In the backdrop to all the political and financial maneuvering, described in such detail by Ahamed, are the approaching jackboots of Nazism, the trauma of the Great Depression, and the grim slide to war. Ahamed believes that all of this could have been avoided, if only the world's economic captains had been more capable:

The stresses and strains of trying to keep the limping gold standard going may have made some sort of financial shakeout inevitable. It was, however, not necessary for the crisis to metastasize into a worldwide catastrophe. European central bankers had been dealing with financial crises for more than a century. They had long absorbed the lesson that while most of the time the economy works very well left in the care of the invisible hand, during panics, that hand seems to lose its grip. Markets, particularly financial markets, became unthinkingly fearful. To reestablish sanity and restore some sort of equilibrium in these circumstances required a very visible head to guide the invisible hand. In a word, it required leadership.

Much has been written about how the lessons of this period have influenced the decisions of the current leaders of the Federal Reserve and Treasury. Western governments have acted vigorously to extend credit and support the banking system. But the problems today are of a different order of complexity. The banks have created a problem so vast with derivatives, it is not clear that yes-

terday's solutions still apply.

Indeed, however much smarter we may think we are today, would it be at all surprising if, in 70 years, historians look back at Bernanke, Geithner, and their counterparts around the world and wonder how on earth such a bunch of amateurs ended up at the wheel? ■

Philip Delves Broughton is a former New York and Paris correspondent for The Daily Telegraph.

Trilling

Continued from page 27

had been friendly with Chase, and all of this was very disappointing. A few years earlier he had published *The Democratic Vista*, echoing Whitman and advocating a radical direction for American high culture. In fact, despite coming from a largely conservative society, American high culture had often been radical: Emerson, Thoreau, Melville, Whitman.

Chase died, possibly by suicide, in the same year as that unpleasant scene at Trilling's party, missing the coarse radicalization of the counterculture, which he would not have liked. The culture of the 1960s did not give us writers comparable to Melville or Whitman.

But at least we had Trilling. Like Burke, he may be better understood in the years following his death. The past year has seen a Trilling renaissance of sorts, with the publication of his unfinished novel *The Journey Abandoned* and new editions of *The Liberal Imagination* and the essay collection *The Moral Obligation to Be Intelligent*. Trilling's doubts and fears have certainly been validated in virtually every area of our public, literary, and personal lives. The liberals he tried to reform never heeded his warnings. Conservatives today should learn from their mistake. ■

Jeffrey Hart is the author, most recently, of The Making of the American Conservative Mind.

In These Times

A long, long time ago, when I was only 44, I spent a week in New York hawking around a dummy for a new daily newspaper to take on the *New York Times*. It's a

good thing you are only young once.

I had the support of one or two hopeless romantics, perhaps none more hopelessly romantic than my friend Andrei Navrozov, a Russian who had recently arrived in London as a "cultural refugee" from the United States, where his family had fled in 1972 as political refugees.

Andrei, who now lives in Palermo as a "gastronomic refugee," had a fastidious dislike of the *NYT*, inherited, like much of his baggage, from his father Lev. Those of you who were as crazy as I was 20 years ago will have fond memories of Lev, who wrote a column for the now defunct Moonie paper the *New York City Tribune*. His message was that the West was being undermined by the congenital stupidity of her liberal elites (i.e., the *New York Times*) and in consequence was losing the arms race and would inevitably lose the Cold War.

Maybe Lev was right, but he never quite got the hang of America. He used to wear an especially absurd hat in winter and insist that it was the envy of ordinary Americans. How so? According to Lev, a truck driver had once called out to him: "Hey, buddy: *nice hat*."

Andrei was much more hip to the ways of Gotham and warned me that the title I had chosen for the new paper—the *New York American*—might be misunderstood. "I mean," he said, "Why not just call it the *New York Anti-Semite*?"

I decided to stick with the title, but as history records, I did not make it in New York. Peter Brimelow listened to

me politely, and so did Wick Allison, then publisher of *National Review*, now a "Conservative for Obama." I had approached John O'Sullivan, too, but did not see him on that trip. Did I write to Midge Decter? Do you know, I think I did.

Many years later, Conrad Black had roughly the same idea, plus some spare change, and started the short-lived *New York Sun*. Much as I like Lord Black, I have never greatly cared for his politics, and the *Sun* was a bit shrill for my tastes. Besides—and sometimes I can scarcely believe this—I now actually like the *New York Times*. The headlines that once made me sneer—"In Swiss elections, little excitement"—now make me cheer. Any newspaper that ignores the imperatives of journalism and instead tells the truth deserves our thanks.

Perhaps I have matured. At any rate, I can now see that if you want to become a press baron in a big city, starting a newspaper is not the best way to go about it. The best way is to be born in the USSR, get a job with the KGB, become an oligarch, and then buy the London *Evening Standard* for less than a pittance.

Alexander Lebedev, 358th richest man in the world and a former spook at the Russian embassy in London, acquired 75.1 percent of the loss-making *Standard* for £1 in January. The deal went through without anyone in authority raising an eyebrow or even, it seems, taking a bribe.

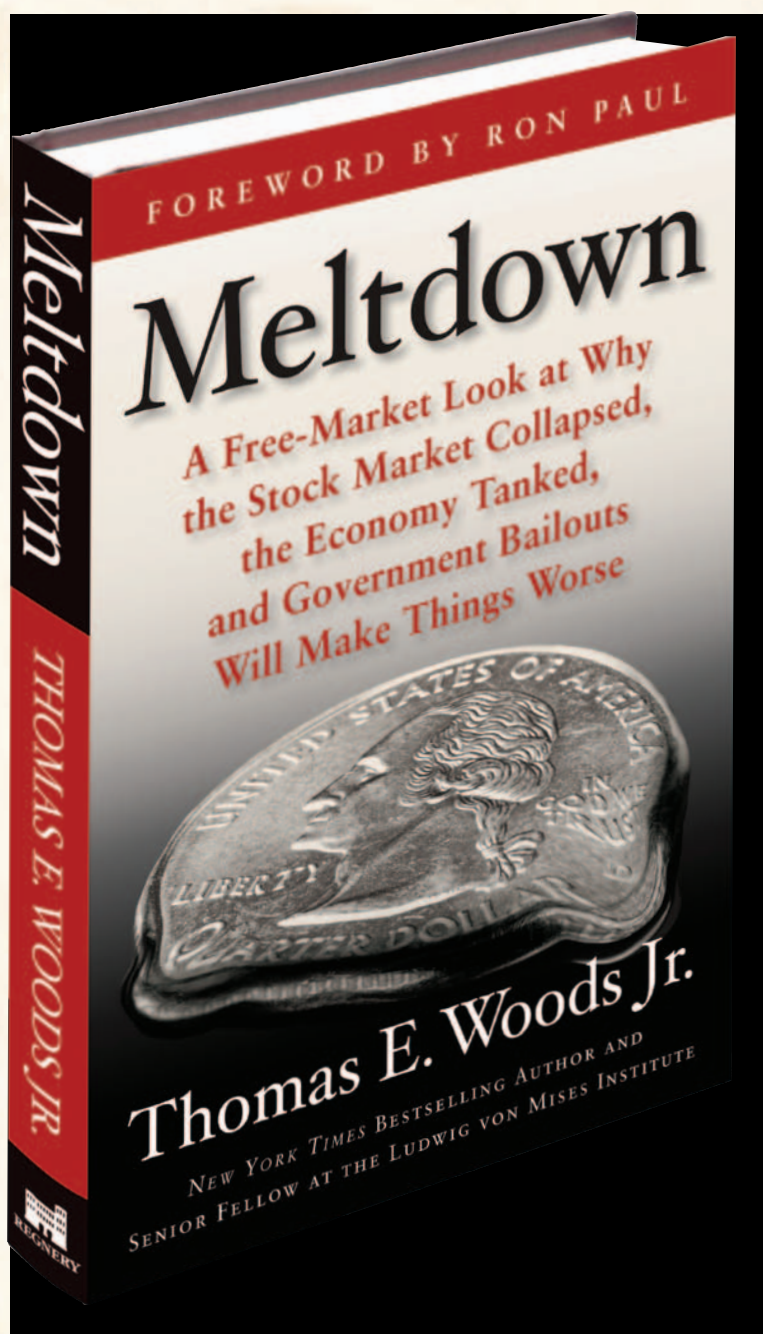
A smart new editor—old Etonian Geordie Greig, formerly of *Tatler*—was appointed, and Mikhail Gorbachev, Tony Blair, and Jacques Chirac were almost immediately spoken of as possible members of a future editorial advisory board. Loonies everywhere recoiled in horror. The *Standard* was on its way to becoming the voice of international reason.

As it happens, Lebedev has been sniffing around for some time. Almost three years ago, not very long after the *Spectator* had been sold to a pair of property developers, I was asked whether I, then deputy editor, would support a bid by Lebedev to buy the magazine. I said that I'd think about it, which is the easiest way of saying no. The idea of a billionaire spook owning the *Spectator* struck me as outrageous.

But was it? What difference would it have made? The British press as a whole is in poor shape, whipped by Darwinian competition into frenzies of moral outrage and suburban pornography. The *Spectator*, once the natural home of skeptical conservatism and hopeless cases and causes, has, under the new management, become a thrusting neoliberal magazine devoted to social mobility and celebrity. Even the stately, elegant, tendentiously liberal *Guardian*—Britain's best newspaper—has yielded to trash culture.

So, of course, has the *New York Times*, but at least as viewed from this side of the Atlantic, the Good Gray is an institution worth cherishing. The newspaper of the liberal elites is better than anything we have here and more conservative, too. So if the limeys, the Canucks, or the ex-KGB officers come a-knocking, do not answer. Buy American. ■

Is Capitalism the Culprit?



The media says that “unfettered free markets” have wrecked our economy and are responsible for our financial crisis.

But the real blame lies elsewhere.

In *Meltdown*, bestselling author Thomas E. Woods Jr. lays the blame for our economic woes squarely on the shoulders of the true culprits: gutless politicians, greedy lobbyists, and The Federal Reserve System.

Featuring a foreword by Ron Paul, *Meltdown* explains how government institutions like the Federal Reserve and Fannie Mae actually caused the housing bubble, and why bailouts—our politicians’ futile attempts to fix the problems they created—will only make things much worse.

If you want to understand what caused the financial meltdown—and why none of the current big-government solutions will work—*Meltdown* explains it all.